

Rare judicial step

Vanunu being held in administrative detention

By MENACHEM SHALEV
Jerusalem Post Reporter

Mordechai Vanunu is currently being held in administrative detention by order of the Minister of Defence. Use of this procedure is extremely unusual for Jewish Israelis.

According to an Itim report, Vanunu was initially detained under a 15-day remand order which was signed by a senior police officer, in accordance with the provisions of the Penal Law. Following that action, Defence Minister Yitzhak Rabin signed a three-month administrative detention order under the Emergency Powers Detention Law 1979, which states that the minister may detain a person for up to six months for reasons of "state security or public security."

Itim adds that the three-month detention order was reduced by the president of the Jerusalem District Court, Yehuda Weiss. The State Attorney's Office decided not to appeal this decision, but rather to press ahead with the preparation of a charge-sheet against Vanunu. With the presentation of the charge-sheet, expected next week, the State Attorney's Office will ask for an extension of Vanunu's remand until the end of his trial.

But Vanunu's lawyer, Amnon Zichroni, told *The Jerusalem Post* last night that Weiss had not confirmed the detention order at all. Zichroni says that Weiss accepted his contention that the emergency detention order was "unjustified" and that "regular legal procedures

should have been followed." Zichroni added that Weiss had decided to keep Vanunu in detention until the state appealed his decision.

"But the State Attorney's office weighed the matter and decided not to appeal," says Zichroni, "and I decided not to make too much trouble for them." He confirmed that he had agreed with the State Attorney's Office that the next step should be the charge-sheet.

Deputy state attorney Dorit Beinisch is in charge of the investigation and the proceedings against Vanunu. She is being assisted by Uzi Chasson, director of fiscal matters at the State Attorney's Office. They are to meet today to co-ordinate final details of the charge-sheet.

Defence sources now believe that the September 27, 1986 meeting of the Editors Committee which was convened by then Prime Minister Shimon Peres, played a crucial role in prompting *The Sunday Times* to publish the story of Israel's alleged nuclear secrets as conveyed by Vanunu.

Senior defence sources said last night that they now believe that a week and a half before publication on October 5, *The Sunday Times* was having serious doubts about the veracity of Vanunu's accounts about Dimona.

The sources said that the September 27 meeting of the Editors Committee tipped the scales for the editors of *The Sunday Times*, who had been resisting pressures by the pap-

(Continued on Page 2, Col. 6)



An Arab and a yeshiva student embrace during yesterday's 'sulha' (reconciliation) ceremony in the Old City. But not everyone approved of the gesture and several hecklers - including the yeshiva student pictured above - had to be restrained by police. (Reuter, Hender)

Old City violence mars Arab-Jewish 'sulha'

By JOEL GREENBERG
Jerusalem Post Reporter

An Arab flat was set on fire in Jerusalem's Old City yesterday and a Jewish-Arab reconciliation meeting was marred by an outburst by Jewish extremists, as tension continued unabated in the wake of the murder of a yeshiva student Eliahu Amedi on Saturday.

In the Shmuel Hanavi neighbourhood in West Jerusalem, two Arab drivers were lightly hurt when their car windows were smashed by stones thrown at their vehicles. A police van was also damaged by stones thrown by residents of the neighbourhood, which is the home of the family of the murdered student Eliahu Amedi.

Police last night arrested four Kach members, understood to include leading activists in the movement, on suspicion of planning this week's anti-Arab attacks in the capital.

In the Old City's Moslem Quarter, a flat belonging to the Abu Sheih family was set on fire yesterday afternoon. The flat is in the Akabat el-Khalidieh alley, near the Shuvu Banim (Birkat Avraham) yeshiva where Amedi studies.

Arab flats, stores and a warehouse adjacent to the yeshiva have been subject to stoning and arson attempts by yeshiva students since the murder. Eight Arab families, including the Abu Sheih, have vacated their homes.

Police said the blaze was put out quickly by firemen but one room was damaged.

Jews and Arabs threw stones at each other during the firefighting. Beated-up police forces were stationed in the area after a fistfight later broke out between a Jew and an Arab.

Police watched last night as students at Shuvu Banim dumped into the alley furniture and household goods they had emptied from an unoccupied Arab room near the yeshiva. Most of the items were charred. Residents in the area said the room had been empty for about two years.

Earlier yesterday, Jewish and Arab residents of the Moslem Quarter held a reconciliation meeting near Akabat al-Khalidieh, and agreed to set up a joint committee to defuse tensions in the area.

(Continued on Back Page)

Politician, two policemen gunned down; store bombed

Aquino warns of coup as violence hits Manila

MANILA (AP). - Gunmen killed David Puzon, a political ally of Defence Minister Juan Ponce Enrile and two senior police officers in separate attacks yesterday, and dozens were injured when an explosion ripped through a crowded Manila department store.

President Corazon Aquino said the violence was aimed at further destabilizing her troubled government.

Two of Puzon's employees were also killed.

The attacks, all within 100km. of the capital, occurred on the eve of a series of rallies planned by labour militants to mark Thursday's funeral of leftist leader Rolando Olalia, who was kidnapped and murdered last week.

They followed a string of a half dozen small bombing and shooting incidents around the capital since mid-October and the weekend kidnapping of a Japanese businessman.

Aquino said she was not sure who was behind the recent violence. "There are many who could have done it," she said in a television interview. "But it is directed against me." The President warned that a coup against her government would create major problems in the Philippines and said she would get tough against enemies who threaten her administration.



Corazon Aquino addressing a press conference in Manila earlier this month. (AFP)

She said she had been studying the problems posed by the Communists, who have been waging a 17-year-old rebellion, and also those presented by the extreme right.

"We shall never be slaves again," she said, "not to the Communists, who did nothing to help us recover our democracy... nor to the sad remnants of the right, who hanker to be our masters again."

The embattled President vowed not to shirk the challenge which she

believed the attacks presented to her nine-month-old administration.

"I am convinced there is a time to do battle, but I want to be good and ready, to know which forces are with me," she said. "When I fight, I want to be sure I will win. If I were not president, I would have fought them all, but I have to realize this will affect not only me but the whole country."

Earlier yesterday, a cabinet minister said President Aquino ordered her aides to resume peace talks with Communist rebel negotiators.

Agriculture Minister Ramon Mitra, one of the three government negotiators, told reporters after a cabinet meeting that "the instruction was to produce a ceasefire within the month... I think she has something in mind, and she wants to know first if we can have a ceasefire," he added.

The Armed Forces Command, in a statement to news organizations, blamed yesterday's attacks on Communist rebels.

Police said David Puzon, 65, a former national assemblyman from ex-president Ferdinand Marcos' party and friend of Enrile, died early yesterday when gunmen dressed as women opened fire on his car some 16 km. north of the capital.

The senior police officers, both local police chiefs, were killed in separate ambushes in Pampanga province north of Manila, officials said.

(Continued on Page 9)

Peres: 'No new Vienna envoy - yet'

By DVORAH GETZLER
Post Knesset Reporter and Agencies

Israel is not likely to send a new ambassador to Vienna "at this stage", Foreign Minister Shimon Peres told the Knesset yesterday.

Former ambassador Michael Eliazur completed his tour of duty last month, and Israel decided not to replace him with a new ambassador. The step was taken to protest against the election of President Kurt Waldheim, who served in the German army in World War II and was allegedly involved in atrocities.

In response Austria recalled its ambassador, Otto Pleinert, for consultations.

Israel would also keep an eye on what other countries were doing, Peres said, noting that U.S. Secretary of State George Shultz had not called on Waldheim during a recent visit to Vienna while Soviet leader Eduard Shevardnadze had.

In Vienna, an Austrian Foreign Ministry spokesman said yesterday: "Our consultations with Mr. Pleinert are not yet finished and one can say that Mr. Peres's remarks will not shorten consultations."

The spokesman declined to comment further, saying that his ministry had not yet received the full text of Peres's speech.

Sharon seeks job for tainted official

By MENACHEM SHALEV
Jerusalem Post Reporter

Controversy has erupted over the planned appointment of a new director-general of the Israel Export Institute following the revelation that Industry and Trade Minister Ariel Sharon is targeting the job for one of the senior government executives recently at the heart of the public scandal which has rocked the country.

Sharon has reportedly vetoed the nomination of other candidates in favour of the official.

The current director-general of the Export Institute, Rami Gotti, recently announced his intention to resign after serving for 8 years in the post.

The institute's main task is to encourage Israeli exports abroad, mainly by organizing trade fairs and exhibitions. The institute is run jointly by the Industry and Trade Ministry, the Manufacturers' Association and Hevrat Ha'ovdim, the Histadrut holding company.

Although Sharon can veto the appointment of a director-general, he must secure the support of one other supporter in order to gain a majority for his own candidate.

Sources on the institute's executive committee have reportedly expressed concern over the negative repercussions abroad that would follow the appointment of a figure prominently involved in the public controversy.

A spokesman for Sharon said yesterday that the minister believes his candidate "has proven his organizational and command abilities, is fluent in many languages and has extensive contacts throughout the world."

The spokesman added that Sharon believes that the official is a suitable candidate, and that the future of those who have given many years of service to the country must be assured.

Three IDF soldiers wounded

By DAVID RUDGE
Jerusalem Post Reporter

ROSH HANIKKA. - Three IDF soldiers were slightly wounded yesterday evening when they came under mortar fire in the central sector of the South Lebanon security zone, army sources reported.

The soldiers received shrapnel wounds and were taken to hospital in Israel for treatment.

According to the sources, the shells were fired from north of the security zone.

Racist incitement on TV

By ASHER WALLFISH
Post Knesset Correspondent

Shimmi MK Mordechai Virshupski asked Attorney-General Yosef Harish yesterday to consider prosecuting a yeshiva student interviewed on Tuesday night's *Mabat* TV news magazine for racist incitement.

Virshupski asked Harish to see a video recording of the interview, in which the man said: "The character of the Arabs, as savages, is to talk the language of the knife. It was always that way. It will always be that way. They don't understand anything else."

The MK wrote that if such a venomous statement, broadcast on ITV, was not the subject of a criminal prosecution under the recently passed anti-racism amendment to the penal code, he wondered what other violation of the law could possibly lead to legal proceedings against inciters.

Herzog visit draws wrath of Singapore's neighbours

By GREER FAY CASHMAN
Jerusalem Post Correspondent and Agencies

SINGAPORE. - Malaysia will review its ties with Singapore following public protests over the visit here by President Chaim Herzog, the Singapore newspaper *The Straits Times* reported yesterday. Malaysia has officially informed Singapore of its deep regret over the republic's "provocative" action in extending an invitation to Herzog.

Herzog, who arrived here on Tuesday for a three-day visit, rebuffed Malaysia and Indonesia yesterday for attacking Singapore, saying that they were out of date. He advised them not to interfere in a matter that did not concern them.

Kuala Lumpur and Jakarta have assailed Singapore's alleged lack of sensitivity towards its Moslem neighbours, terming Singapore's action provocative.

Approximately 200 demonstrators under the banner of the People's Action Committee representing 30 political parties and social organizations gathered in front of the Singapore High Commission in Kuala Lumpur to protest against the Herzog visit.

Herzog was originally due to visit the Philippines before travelling to Singapore, but his trip was cancelled at the last moment because of the current unrest in Manila.

Singapore tightened security to an extent that surprised even Herzog's entourage, used to intensive security measures. Members of Herzog's party are searched at all the Herzog functions they attend. Special identity tags afford no immunity. A special female bodyguard has been assigned to Mrs. Herzog.

Herzog told the press that he has been tremendously impressed by Singapore's economic development. Israel has much to learn from this island republic, he said.

The most significant example which Singapore has set for Israel is the cutting of bureaucratic red tape for potential overseas investors, who instead of being shunted from office to office as they are in Israel, deal only with one person.

Herzog was reluctant to comment on his talks with Lee Kuan Yew. He said that he had no objections to his host divulging the nature of their discussions, "but I don't feel free to reveal what took part."

Herzog, who described Lee Kuan Yew as "the Ben-Gurion of Singapore" found him to be extremely well-informed about Israel. The premier told Herzog that he had learned a lot from Israel and in the building up of Singapore, had not repeated Israel's development errors.

Herzog heads for home today and is due to arrive early tomorrow morning.

In Jerusalem it was reported yesterday that MK Pinhas Goldstein wants the Knesset to debate all the arrangements surrounding the president's visit to the Far East. What happened in Singapore and the last-minute cancellation of the visit to the Philippines does not redound to the credit of the office of the presidency or the state, Goldstein told *The Jerusalem Post* last night.

Goldstein, a Likud-Liberal, scored the way the president's visit was organized. "It's a matter of timing and location. Perhaps he shouldn't have gone to the countries chosen just at this time. The treatment meted out to him shames him and us," Goldstein said.

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On eve of Reagan address

White House says Shultz won't quit

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. - As President Reagan, on the defensive over his secret arms shipments to Iran, yesterday prepared to justify his action in public, speculation mounted that Secretary of State George Shultz would quit over the issue. But the White House and the State Department strongly denied that Shultz had decided to resign.

Reagan was scheduled to hold a nationally televised White House news conference on the Iran controversy just before dawn, Israel time. He was expected to issue a strong statement of support for Shultz.

Administration spokesmen denied a report broadcast over National Public Radio that Reagan has asked retiring Republican Senator Paul Laxalt of Nevada to succeed Shultz. Laxalt, Reagan's best friend in the Senate, said there was "no truth" to the report that he had been asked to become secretary of state.

The *New York Times* said Shultz has asked Reagan for a firm commitment to stop providing military equipment to Iran and to agree that future diplomatic contacts with Tehran be conducted through the State Department. Shultz reportedly would resign unless those requests were honoured.

But a senior White House official was quoted by the newspaper as saying that Reagan had indicated to him that Shultz had not threatened to quit.

The *Boston Globe* yesterday quoted Shultz's aides as saying that they do not expect him to resign.

(Continued on Back Page)



George Shultz (Reuter)

despite the fact that a few days ago he had indeed confided to a personal friend that he might have to go.

"He's one of the few policymakers who comes out of this smelling like a rose," a U.S. official said. "When the dust settles, his position, his clout and his influence will only grow. He has some major issues - such as U.S.-Soviet arms reductions - that he would like to see through. If he was going to resign, he would have done it when his warnings were dismissed, not when the failed policy has been abandoned."

The newspaper's diplomatic correspondent, William Beecher, said Shultz had warned the White House "months ago" that the covert supply

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CHICAGO	1	33	48	Clear
COPENHAGEN	4	29	48	Clear
FRANKFURT	8	46	72	Clear
GENEVA	1	31	48	Clear
HELSINKI	1	27	45	Cloudy
HOANG KONG	17	63	78	Cloudy
JORDANESBURG	9	48	72	Cloudy
LONDON	11	52	78	Cloudy
MADRID	4	39	61	Cloudy
MONTREAL	4	21	37	Cloudy
NEW YORK	4	39	61	Cloudy
PARIS	17	25	34	Cloudy
SAO PAULO	17	63	78	Cloudy
STOCKHOLM	17	25	34	Cloudy
TOKYO	17	25	34	Cloudy
VIENNA	4	39	61	Cloudy
ZURICH	4	29	48	Cloudy

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THE WEATHER

Forecast: Partly cloudy to clear.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	55	1-16	18
Golan	55	1-16	18
Nahariya	55	1-16	18
Safed	55	1-16	18
Haifa Port	55	1-16	18
Tiberias	55	1-16	18
Nazareth	55	1-16	18
Afula	55	1-16	18
Shomron	55	1-16	18
Tel Aviv	55	1-16	18
B-G Airport	55	1-16	18
Jericho	55	1-16	18
Qasbi	55	1-16	18
Be'er Sheva	55	1-16	18
Elat	55	1-16	18

Lebanese water flows to Israel

KIRYAT SHMONA (Itim). - South Lebanese villagers have decided to share some of the recent rainfall with Israel.

Villagers living in the Iyon valley, usually dam the Iyon brook until December, using the water for irrigation.

But because of this year's plentiful rains, the Lebanese have decided to open the dam early and allow the water to flow into Israel.

The Iyon water is expected to increase the level of Lake Kinneret significantly.

Kahane arrested in U.S.

OVERLAND PARK, Kansas (AP). - Rabbi Meir Kahane was arrested here after a scuffle during a speech in which he advocated kidnapping Israel of Arabs, police said.

Police arrested two members of the audience after the Tuesday night fight and one of the two then filed a municipal charge of disorderly conduct against Kahane, said Lt. Glenn Ladd.

NY to scan Israeli bomb robot 'Bambi'

NEW YORK (AP). - Mayor Edward Koch said on Tuesday that he wants New York's police department to examine the Israeli bomb squad robot nicknamed "Bambi," which can climb stairs and get into narrow places.

"I'm going to ask them to look at it," he said while talking to visiting Police Minister Haim Bar-Lev. Bar-Lev, in town to examine the operations of the city's police department, paid a courtesy call on the mayor.

When asked about New York's bomb-retrieving robot, he said he thought the one in Israel was more advanced because of Israel's long battle against terrorism.

SLA man wounded

JERUSALEM POST REPORTER ROSH HANIKRA. - A South Lebanese Army soldier was wounded when a position manned by SLA troops came under fire mid-day yesterday, the IDF reported.

The SLA troops returned fire and the wounded soldier was transferred to the Marjayoun Hospital for treatment.

The incident occurred in the eastern sector of the security zone, IDF sources said.

HOME AND FOREIGN NEWS

Treasury against more funds, to demand more defence cuts

By AVI TEMKIN
Post Economic Reporter

The Treasury will not only oppose Defence Ministry demands for a NIS 400 million budget increase for the next fiscal year, but will even demand a slash of NIS 270 million in military spending, senior Treasury officials said yesterday. The officials said such a cut would represent 6 per cent of the budget for domestic military spending, or 3 per cent of the overall budget of the Defence Ministry.

The officials rapped the Defence Ministry for its claims that large cuts in the defence budget had reduced Israel's military strength. They said the ministry had presented the cabinet and public with a distorted picture of large reductions in the army's size. "The Defence Ministry takes the army's size in 1983 as a comparative baseline. Then it was at peak levels because of Israel's presence in Lebanon," the officials said. But compared with the army's size before the Lebanon War, there had in fact been no sizeable reductions, they said.

Treasury officials also criticized the Defence Ministry for supporting higher wage levels for professional army personnel. They said it was naive to think that such increases, if granted, would not trigger off wage demands throughout the economy and produce other budgetary consequences. "At the same meeting that the army men declared they would pay these increases from the defence budget, they also demanded a budget increment of NIS 400 million," Finance Ministry officials said.

The officials admitted that wage levels of professional soldiers were generally low compared to the private sector, but said there was no remedy to the situation. They added that professional army salaries were significantly higher than those paid in the government service. According to their figures, the average gross monthly salary of professional soldiers is about NIS 1,500, compared to an average of NIS 1,000 in the public sector.

The officials said that the army salary figure did not include fringe benefits, particularly the right to

retirement at an early age on full pension. In addition, professional soldiers have the right to study for two years on full salary. These benefits are equivalent to an increment of NIS 1,000 to their monthly salary, Treasury officials said. They stressed that senior officers had net wages that were significantly higher than those of public sector senior officials. "A colonel heading a department in the Tel Aviv Kirya earns a net salary of NIS 2,100, compared to the NIS 1,300 that a ministry director-general gets," they said.

The Treasury is prepared to solve specific problems, such as those of junior officers in combat units, but it would be wrong to try to solve these problems by granting universal wage increases, the Treasury sources said. They argued that the army was now facing budgetary trouble because it had not taken appropriate measures in the past to slash its spending. They said each time the cabinet decided on a defence budget cut, the army preferred to cut down inventories. "Now they have run down inventories and there is no way to avoid a real cut," they said.



Albert (Haim) Burshtein, 21, a leading activist among Leningrad refuseniks, was arrested by the KGB earlier this week and jailed for 15 days. Burshtein has been under increasing pressure from the Soviet authorities, and it is feared that the arrest may be a prelude to more severe moves against him. Burshtein, who gathers information on Prisoners of Zion and tries to help their families, was dragged from a taxi last week by five KGB men and severely beaten. He was warned, "If it's much worse for you next time."

(Rapoport)

West Bank tax haven for Israelis

JERUSALEM POST REPORTER

Some 300 Israeli firms are registered in the West Bank, and most are dummy companies set up to avoid taxes, the recently retired legal adviser of the Income Tax Commission said yesterday.

Speaking at a study day in Jerusalem, Rahamim Sastiel said that such dummy companies were able to pay reduced income tax because Jordanian law allowed them to give inflated figures for their expenses. The companies could thereby reduce their taxable income.

Sastiel said Israeli companies registered in the West Bank were also exempt from business tax, and there were doubts as to whether they had to withhold income tax from employees' salaries.

The Treasury was trying to close the loopholes in the tax laws, he said. The Income Tax Commission's new legal adviser, Avi Alter, said that until new regulations were released recently, Israeli firms in the territories had been able to avoid paying value-added tax.

Navy intercepts PLO supply boats

TEL AVIV (Itim). - Two boats carrying supplies to newly established PLO bases in southern Lebanon were seized by the Israeli Navy three days ago, the IDF spokesman announced last night. Three terrorists were captured in the operation.

According to the announcement, the boats were seized south of Sidon and contained large amounts of arms and ammunition, including 50 RPG anti-tank rounds, Kalashnikov rifles, and two-inch mortars.

The army said that the boats belonged to the Fatah arm of the PLO, which has recently been beefing up its presence in Southern Lebanon. The main supply route to the new bases is by sea, the IDF said.

Lebanon yesterday complained to the UN over Israeli air attacks on Sunday and Monday against targets near Sidon and reserved the rights to call for a Security Council meeting.

France held to draw

Reigning European soccer champions France were in dire danger of failing to qualify for the 1988 finals when they were held to a goalless draw by East Germany in East Berlin last night.

In other European championship games, Poland held Holland 0-0 and Belgium and Bulgaria also drew, 1-1.

Ne'eman pushes for settlements panel

By DVORAH GETZLER
Post Knesset Reporter

The public was being fooled when it recently watched Housing Minister David Levy open two "new" settlements in the Gaza Strip region. Those were four-year-old settlements, Tehiya leader Yuval Ne'eman told the Knesset yesterday.

Only a ministerial committee on settlement would push the government into fulfilling its commitment to establish 27 new settlements in the territories, according to Ne'eman.

Edna Solador wanted to know if Ne'eman was not equally concerned that the government address itself to settlement within the Green Line, the pre-1967 border.

Of course, said Ne'eman. Ne'eman dismissed economic stringencies, saying that those who settled in the territories were prepared to put up with very minimal conditions.

Deputy Minister Ronnie Milo promised that the matter would be attended to "as soon as possible," but had no more definite answer when Ne'eman pressed him.

Both Milo and Ne'eman lashed out at an article in the *New York Times* in which Alignment MK Abba Eban wrote that only 40,000 Jews had settled in the territories since 1967. Some 60,000 have in fact settled, Milo said, 20,000 of them since the present government took office. And by Eban's argument, Israel would lose its claim to Galilee and the Negev too, where there were no

KNESSET ROUNDUP

more than 40,000. Mordchai Virshubski (Shinui) aroused a storm of protest when he referred to El Al as "Streimel Tours." He was proposing the first of five motions for the agenda on alleged El Al losses due to its closure on Shabbat.

Among those objecting to Virshubski's language was the Alignment's Shevah Weiss. A streimel was not holy, Weiss agreed, but it was a Jewish symbol, and in referring to it such a derogatory way, Virshubski was going back on his own advocacy of civilized speech and consideration for the feelings of others.

With the exception of the National Religious Party's Avner Shaki - for whom it was inconceivable that El Al fly on Shabbat - all other main speakers urged the government to rethink the October 1982 flat that had grounded the national airline on Shabbat.

But for Agudat Yisrael MKs Avraham Shapira and Menahem Porush, as for Morasha's Avraham Verdiger, who opposed the motions for the agenda, it was hypocrisy to talk of El Al's losses as due to the Sabbath grounding. El Al had always lost money, and Sabbath observance was worth more than any such losses.

Shamir embarrassed by bid to isolate Sharon

By SARAH HONIG
Post Political Correspondent

TEL AVIV. - Prime Minister Shamir is very embarrassed by the attempt of Benny Begin, the former premier's son, to isolate Trade Minister Ariel Sharon in an evolving power-sharing arrangement in the Herut Party, according to informed sources.

Shamir has told people recently that some of the younger Begin's pronouncements and suggestions that Sharon be excluded from any internal Herut agreement are "unacceptable." At one point Shamir actually considered coming out openly against Begin's anti-Sharon campaign, the sources said, but later decided against it.

Sources close to Deputy Premier David Levy, the major contender for the party leadership, say that he, too, has reached the same conclusion about not reacting publicly to the Begin campaign, though he also feels "very uncomfortable about Begin's vendetta against Sharon."

All sides in Herut are reportedly waiting for Levy and Moshe Arens to return from abroad before fixing a date for the party convention's second session.

'Disclosures on Iran arms unlinked to 17 suspects'

NEW YORK (JTA). - The Reagan administration's recent disclosure that it approved covert shipments of American weapons to Iran "has no bearing whatsoever" on the prosecution of 17 defendants, including four Israelis, for conspiring to sell American weapons to Iran, an assistant U.S. attorney told a court here on Monday.

Assistant U.S. attorney Lorna Schofield made the statement in her opening remarks at a pretrial motion hearing in Manhattan's U.S. District Court. The defendants in the case face charges of conspiracy to sell \$2.5 billion of American arms to Iran and of falsifying the documents

needed to gain U.S. approval for the sales. Schofield told federal judge Leonard Sand that she had discussed the case with Justice Department officials and people in the National Security Council who informed her that this case was not related to any of the covert arms shipments approved by the Reagan administration.

Defence attorneys challenged the prosecution's statement, noting a "remarkable coincidence" of the accounts of defendants in the case and the events confirmed by the administration and other sources in the past weeks.

VANUNU

(Continued from Page One)

er's reporters who wanted the story published. At the September 27 meeting, Peres reportedly told the editors of Israel's daily newspapers of the upcoming *Sunday Times* story. He also asked the editors not to initiate any Israel-based coverage of the Vanunu affair.

That same day, a London correspondent of one of the Hebrew newspapers reportedly called the editors of the *Sunday Times* to see whether they had any reaction to the meeting of the Editors Committee. The senior defence sources now believe that it was this call that settled the argument between the cautious editors of *The Sunday Times* and the paper's reporters.

Children who choke

'Dangerous' booklet is withdrawn

By JUDY SIEGEL
Jerusalem Post Reporter

Kupat Holim Clalit decided yesterday to stop distributing a leaflet whose advice, if followed, could lead to death or irreversible brain damage to young children choking on a foreign object.

The decision to halt distribution, pending an inquiry into the matter, followed the publication of an article in yesterday's *Jerusalem Post* on the dangers involved in following the leaflet's advice.

Written by a Kupat Holim professor of medicine, the leaflet directs parents whose child is choking to take him "immediately to the nearest hospital." But physicians warn that if the oxygen supply to the brain is cut off for just four minutes, death or irreversible brain damage could occur.

Since it is impossible to reach a hospital in four minutes, parents should learn how to dislodge the foreign object from the trachea, say the physicians. There are two recog-

nized ways of doing this: backblows, and the Heimlich Maneuver, where fingers or a fist are pressed into the child's stomach. These basic first-aid techniques are recommended by the American Academy of Pediatrics.

No mention of any first-aid measures is made in the leaflet, thousands of which have been distributed in recent weeks, following the death by choking on a tangerine of a child at a Jerusalem day-care centre.

More probes in Amar case

By YORAM GAZIT

PETAH TIKVA. - The chief witness in the case against MK Shlomo Amar, Albert Azulai, and Amar's attorney, Yigal Arnon, were both questioned by police yesterday.

Amar is suspected of bribing Azulai to get out of doing reserve duty in Lebanon, and of interfering with a military police investigation of the case.

With the interrogation of Azulai and Arnon, police completed the probe of those suspected of obstructing the investigation. Azulai was questioned yesterday about the alleged attempt to influence him to change the testimony against Amar that he had given to the military police.

Police have questioned in connection with the alleged bid to suborn

Azulai all those who took part in a meeting in Arnon's office on January 8. At the meeting were Arnon, attorney Ram Caspi, Aharon Yakim (then head of the Haifa police narcotics unit), and Yoram Ben-Ami (Azulai's former employer).

Azulai told reporters yesterday that after he testified to the military police he was fired from his job by Ben-Ami. He said an anonymous telephone caller had told him that he would be "liquidated" and that a bomb had been planted in his car.

Police said they would conclude the investigation in the case in two weeks. They will then decide whether to seek the lifting of Amar's Knesset immunity so that he can face charges.



Giti Zehavi as she appeared in court yesterday. (Shaul Rahamim)

Further remand for Zehavi

TEL AVIV (Itim). - Giti Zehavi, suspected of murdering her third husband, Yosef Israelov, was yesterday remanded in custody for nine more days, during which time charges must be filed.

Zehavi, extradited from Britain in October, has already been held for 45 days. She is suspected of killing Israelov, whose body was discovered last January in a car at the bottom of the lake in the Ramat Gan park.

Police yesterday asked the Tel Aviv Magistrates' Court to remand Zehavi for a further 15 days. But the judge, criticizing the delay in filing an indictment, agreed to only nine.

In asking for the remand, the police presented to the court a classified document containing what they indicated was circumstantial evidence based on an overseas telephone conversation.

The additional time, the police said, was required to question Zehavi on the new evidence. The police also said that they were waiting for new evidence from France and Britain.

Hadassah denial on Iran

JERUSALEM'S Hadassah-University Hospital yesterday denied a report in a Kuwaiti newspaper that one of its doctors was in Iran to treat ayatollah Ruhollah Khomeini. The denial was made in reply to a reporter's inquiry. (Itim.)

Row over jail conditions for Rafi Levy, clergyman

By YORAM GAZIT

TEL AVIV. - Police yesterday criticized attorney Shlomo Toussia-Cohen for saying that his client, the clergyman arrested in the bribery case against Interior Ministry Jerusalem District Commissioner Rafi Levy, was being held in "unbearable conditions."

A police spokesman said yesterday that the clergyman, who was arrested on November 6 on suspicion of bribery, drug smuggling and possession of firearms, was being held in "decent conditions."

Toussia-Cohen, who is also representing Levy and the mother and son from Ramallah who are being held in the case, told a Jerusalem Magistrates' Court judge on Tuesday that his client's cell had an area of four

square metres, most of which was taken up by a bed. The clergyman, he added, was not being allowed to go for walks in the prison yard.

Because of his client's high position, Toussia-Cohen told the court, he should be accorded privileged treatment. The attorney recalled that Archbishop Hilarion Capucci had been given a larger room - "and he was a terrorist."

The police added that after Tuesday's hearing, where all four suspects in the case were ordered held for 10 more days, the clergyman had been asked by police if he had any complaints about the conditions of his detention. They said that he had replied that he had none.

Toussia-Cohen could not be reached for comment yesterday.

Rabin denies Israel has A-weapons

HELSENKI (AFP). - Defence Minister Yitzhak Rabin denied here yesterday that Israel was a nuclear power. He also rejected reports that renewed efforts were being made to re-establish diplomatic ties with Moscow.

Rabin told a news conference here that Israel would not be "the first to

introduce nuclear weapons in the Middle East."

Commenting on the Vanunu case, he said: "Those who work in research institutes should not sell to media what they do not have the right to sell."

Last night Rabin arrived in Copenhagen for a four-day visit

Shirking MKs are 'threat to democracy'

Speaker to act on poor Knesset attendance

By ASHER WALLFISH

When the Knesset laid down its internal code of operation, the House Rules (*Takanon*), it included two clauses which, over the years, have become increasingly honoured in the breach, rather than the observance.

The problems of the failure of most Knesset members to put in an honest day's parliamentary work, and the frequent absence abroad of MKs on private as well as public business, were aired at a special consultation yesterday. It was called by Speaker Shlomo Hillel and included his deputy speakers and heads of the various factions.

Clause 21 obliges MKs travelling abroad to notify the Speaker when they intend to travel, for how long, and where they intend to be. This rule is generally ignored.

Clause 22 obliges MKs, to the best of their ability, to attend plenary sessions and sessions of committees to which they belong, regularly and consistently. This rule, too has become a joke.

The archives of *The Jerusalem Post* contain a variety of excuses made by successive Speakers on behalf of MKs, to explain that they are not in plenary chamber because they are busy

attending committees or faction activities, or seeing members of the public or preparing speeches. The archives also contain a profusion of pretexts offered by past Speakers to explain why MKs don't attend their committee.

The present Speaker, however, knows that the days for whitewashing are long past, and that it's better to own up and tell the truth.

The agenda of yesterday's consultation was entitled "the image of the Knesset." Hillel said that in his regular confrontations with Israel's of all ages, at which the complaint of scanty attendance by MKs in the plenum never fails to come up, he no longer has any convincing replies to offer.

"Attendance is uneven and inadequate in all democratic parliaments," Hillel conceded, "but lately the situation in our Knesset has got so bad that the status of democracy itself is under threat."

Hillel told his colleagues: "Democracy has to be seen in action, not merely practised."

How often, he asked rhetorically, did MKs come to the presidium to fight tooth and nail for their motions to be granted recognition as urgent, and then fail to turn up in the plenum

to speak on them.

The Speaker outlined a list of possible suggestions to encourage greater attendance. He did not really like any of them, he said, but perhaps there would be no alternative.

In a few months' time, when the planned electronic voting installation is put into operation in the plenum chamber, he said, it would be possible to publish voting records immediately after each vote. Another proposal would be to withhold payment of the meals allowance (*eshel*) on account of each day of absence, he said.

He said that MKs' motivation to sit in the plenum might well be enhanced if the debates were more lively, and this might be achieved to some degree by altering the present system, whereby each faction has to fill an allotted number of minutes (in most cases).

Hillel said that the Knesset might well consider the Westminster system, with MKs having to "catch the Speaker's eye" in order to get the right to speak. The Speaker, in such a case, could strike a balance between giving voice to the stands of the various factions, and encouraging MKs who had a good attendance record.

During the discussion, MKs made the following points:

□ Pinhas Goldstein (Likud): Each faction should be given a minimum attendance quota, to make sure that a certain proportion of its members are in the plenum at all times.

□ Yossi Sarid (Citizens Rights Movement): A cabinet minister or at least a deputy minister must be present at each session throughout.

□ Tewfik Toubi (Democratic Front for Peace and Equality): I've been a member of every Knesset since the beginning, and I've always heard the same complaint, but this time it's worse. The broader the coalition, the worse the attendance.

□ Chaita Grossman (Mapam): MKs who go abroad for long periods should have their wages cut for each day away.

□ Mordchai Virshubski (Shinui): The burden of attendance should fall on the two big factions, the Alignment and the Likud, whose members' attendance is always the poorest in relation to their size.

□ Geula Cohen (Tehiya): What right do MKs have to spend weeks abroad, and get paid for expenses which they don't incur here, and meals, which they don't eat?

With deepest sorrow we announce the passing of our beloved

ROSEL KANOWITZ

The funeral will take place today, Thursday, November 20, 1986 at 3:30 p.m. at the Kfar Shmaryahu cemetery.

Husband: Dr. Kurt Kanowitz
 Daughter: Dr. Gabriela Mann-Kanowitz
 Son-in-law: Dr. Kenneth Mann
 Brother: Reuben Kahane
 Dr. Genia Kanowitz
 Paula Wilner
 Yoram and Dvora Engel
 Hanna Adiv and her members of

UK wants to know how Vanunu came to Israel

By DAVID HOROVITZ
Jerusalem Post Correspondent

LONDON. — The government has criticized Israel for keeping silent over the manner of Mordechai Vanunu's departure from British territory, and has pronounced itself unsatisfied with explanations from Jerusalem so far.

Speaking last night in a House of Commons debate on the Vanunu affair, Home Office Minister David Waddington said that "Israel's silence on the question of how he returned only prolongs speculation."

Waddington urged Israel to "put an end" to such speculation, which was, he said, "damaging to its interests." Britain, he went on, did not even know whether it was true, as reported in the press, that Vanunu had appeared in court on October 20. While Britain understood the demands of Israel's own sub judice regulations, Waddington said, it was "difficult to see" how a statement on a matter such as a remand hearing could prejudice legal proceedings.

The minister rejected a call by MP Dennis Walters, who instigated the debate, for a full public inquiry into the Vanunu affair. He explained that

such an inquiry would have no right to look into events that occurred outside British territory, and if anything untoward had taken place inside the UK, that was the preserve of the police.

Prime Minister Yitzhak Shamir's spokesman said in Tel Aviv that Israel has nothing more to tell Britain on how Vanunu was brought to jail. Spokesman Yossi Ahimeir told reporters: "We think we gave them enough information. If they ask us again we can only repeat that we did not break any British law."

Ahimeir retracted an earlier statement that Israel was prepared to tell Britain more about how Vanunu ended up in an Israeli prison following his disappearance in London on September 30.

"The emphasis has to be that there's nothing new to tell the British," Ahimeir said.

Walters, speaking first in a debate that attracted some 30 MPs, apparently a rather good turnout, given the lateness of the hour — said that Britain "should not tolerate being fobbed off by patronizing and dismissive (Israeli) statements."

"Her Majesty's Government should not tamely accept that the Israeli government can simply inform us that our laws have not been broken," he asserted, to rather muted cries of "Hear, hear."

Walters referred to Israeli involvement in the Dikko kidnapping, and added that "Zionist terrorism goes back a long way in time... Violence and violation of international law are not alien to the present Israeli leadership."

Walters was accused of "making mischief" by Labour MP Ivor Lawrence, who reminded the House that The Sunday Times had been investigating Vanunu's manner of departure and had concluded that the former Dimona nuclear technician was lured off-shore by a Mossad agent codenamed "Cindy". There was no breach of British law, said Lawrence, and therefore there was no reason for Walters to be making such a fuss.

But Waddington said that he welcomed the debate, concluding that he regarded it "as unsatisfactory that the Israeli authorities have declined to give any explanation of the circumstances or even the date of Vanunu's arrival in Israel."

Mandela gets into S. Africa Who's Who

JOHANNESBURG (AP). — Jailed black nationalist Nelson Mandela, his wife Winnie, and other anti-apartheid militants are listed for the first time in the new edition of "Who's Who in Southern Africa."

The 1986 edition of the annual South African publication, being released today, contains brief biographies of more than 6,000 prominent people in this white-ruled country and neighbouring black states.

Publisher Margaret Essberger, who bought the book from its previous owners last September, said she felt the inclusion of influential black radicals was important even though many subscribers might find the change "alarming and uncomfortable."

In previous editions of the book, first published in 1907, most of the handful of South African blacks listed were businessmen, moderate clergymen or officials of the nominally self-governing black homelands.

The new edition includes militant black labour leaders and the Rev. Alan Boesak, an outspoken activist who helped found the United Democratic Front anti-apartheid coalition. Capsule descriptions of black organizations have been added.

Joe Slovo, a white lawyer who heads the outlawed South African Communist Party is also listed in the book, although he lives in exile abroad.



Red-hot lava streams down Mount Mihara which has been erupting for the past five days on Japan's Oshima Island. The 758-metre-high volcano has hurled up some 130,000 cubic metres of lava per hour since it erupted last Saturday. (Reuters)

Beirut bank bombed as speculators are warned

BEIRUT. — Unidentified gunmen fired a rocket-propelled grenade into Lebanon's central bank yesterday as the war-torn country's economic crisis deepened and underground groups warned they will kill bank managers and currency speculators "so the people can survive."

Police said two assailants on a motorcycle fired the grenade that exploded on the sixth floor of the eight-story bank building in Moslem west Beirut, damaging furniture.

An anonymous caller telephoned the state-run Beirut Radio claiming the attack on behalf of a previously unknown group calling itself the Black Panthers, and threatened to kill bankers and foreign currency speculators.

Police said another anonymous caller telephoned Beirut Airport claiming that a bomb had been planted on an airliner bound for an Arab state in the Gulf.

All five flights scheduled to take off for destinations in the Gulf were immediately delayed. They took off more than an hour later after a massive search revealed no explosive device aboard the aircraft.

But explosions blasted residential areas of Southern Beirut for more than an hour yesterday as Shi'ite Moslem Amal militiamen and Palestinians fought with mortars, rockets and artillery.

Local radio stations said mortar bombs hit crowded Shi'ite residential areas surrounding the Bourj al-Barajneh Palestinian refugee camp, in Beirut's southern outskirts.

The Sunni Moslem Voice of the Homeland radio station said one man was killed and several injured in the firing, which closed the main highway linking the city and its airport.

Palestinian sources said scores of artillery shells slammed into the alleys of the refugee camps for more than an hour. But they did not report any casualties.

In Tyre, police said one Amal militiaman and two Palestinians were wounded when fierce rocket and mortar bomb exchanges flared at the Rashidiyeh refugee camp near the city.

In a separate clash east of Sidon, two Sunni Moslem militiamen were killed and four wounded in two hours of fierce fighting with Israeli-backed South Lebanon Army fighters.

Moslem militiamen repelled an infiltration attempt by the SLA. (AP, Reuters)

MIDDLE EAST BRIEFS

Egypt Defence Minister holds talks in U.S.

WASHINGTON (Reuters). — Egyptian Defence Minister Abdel-Halim Abu Ghazala yesterday discussed a wide range of issues with U.S. officials, including Cairo's desire for relief on its \$4.5 billion U.S. military debt. Administration officials said. The minister held talks this morning with Treasury Secretary James Baker, then had lunch with Defence Secretary Caspar Weinberger.

Morocco's King Hassan cancels visit to European parliament

BRUSSELS (Reuters). — King Hassan of Morocco has cancelled a visit to the European parliament next month because the assembly could not give assurances there would be no demonstrations against him, a parliament spokesman said yesterday.

Diplomats said some leftist members of parliament had been expected to protest during Hassan's planned December 9 visit, against policies such as Morocco's war on guerrillas in the Western Sahara.

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FOREIGN NEWS IN BRIEF

Soviets allow child to rejoin parents

MOSCOW (AP). — The three-year-old daughter of a Soviet couple who defected will be allowed to rejoin her parents in Sweden after more than two years of separation, the official Tass news agency said yesterday.

Tass cited "humanitarian considerations" as the grounds for allowing Kaissa Randpere to emigrate. The child was not allowed to accompany her parents, Valdo Randpere and Lella Miller, when they attended a cultural festival in Finland in August 1984, and then left for Sweden where they sought political asylum.

Randpere, an Estonian, said in Stockholm that their chief reason for leaving the Soviet Union were the attempt by authorities to foster the Russian language on Estonia, and what he said was increasing political repression in his Baltic homeland.

Soviet naval visit

ATHENS (Reuters). — Three warships of the Soviet Black Sea Fleet and their commander-in-chief have arrived in Greece for a four-day visit — believed to be the first to a NATO country, diplomats said yesterday.

The modern 10,500 ton cruiser Slava, flagship of the fleet, arrived in Piraeus Tuesday accompanied by the 3,750-ton destroyer Konsolets Ukraina and the 5,500-ton replenishment tanker Elnia. The visit was in return for one to the Soviet port of Odessa by Greek warships.

Parents of 'Dallas's' Duffy shot dead

BOULDER, Montana (Reuters). — The parents of Patrick Duffy, the actor who plays the character Bobby Ewing in the TV soap opera Dallas, were shot dead Tuesday night in a bar they owned, police said yesterday.

The sheriff's office in Jefferson County, Montana, said in a statement that the couple were shot in an apparent double homicide. Two men had been arrested, the statement said.

Gorbachev as Tory

LONDON (AP). — Soviet leader Mikhail Gorbachev has an excellent brain and would be a splendid Conservative candidate for parliament "but for his political views," a cabinet minister said Tuesday. Gorbachev has "considerable charisma," a high IQ (Intelligence Quotient) and is "the sort of chap who would easily gain a first (top degree) at Oxford or Cambridge," Energy Secretary Peter Walker told a business conference. "If he was put before a Tory selection committee he would have no difficulty getting chosen, and he would make a very good and splendid candidate, but for his political views."

IRAQ-CHINA. — China's Irrigation Minister, Qian Zhengying arrived in Baghdad yesterday for talks with her Iraqi counterpart on bilateral relations in the field of irrigation and agriculture, the state-run Baghdad Radio reported.

Bonn: Diplomatic break with Syria 'short-sighted'

BONN. — West Germany Deputy Foreign Minister Juergen Moellmann said yesterday that it would be short-sighted and damaging to break diplomatic relations with Syria over its alleged complicity in international terrorism.

Moellmann was responding to speculation that Bonn might sever ties if the trial of two Jordanians charged with bombing a German Arab friendship society office in West Berlin last March yielded conclusive evidence of Syrian involvement.

"The breach of relations would be damaging and short-sighted," Moellmann told the newspaper Bild in an interview for today's edition. "For fundamental reasons, it is precisely when there are problems that one should use diplomatic channels."

Moellmann declined direct comment on the trial, which began on Monday, saying it would be wrong to prejudge the outcome. A verdict is expected on November 24. Trial proceedings were adjourned on Tuesday and resume today.

Moellmann's remarks in Bild and in a similar interview with the Cologne newspaper Express marked the first public high-level indication that an official response to evidence of a Syrian hand in the attack would stop short of a diplomatic breach.

Moellmann, whose area of responsibility in the Foreign Ministry

includes the Middle East, gave no indication of what, if any, action Bonn might take against Syria if the verdict in West Berlin pointed to Syrian complicity.

A high-ranking member of West Germany's parliament earlier yesterday urged the government to consider severing diplomatic ties with Syria after testimony at a terrorist trial strongly linked the Arab nation to a Berlin bomb attack.

The outcome of the trial of Palestinians Ahmed Nawaf Hasi and Farouk Salameh could have a major impact on already-strained relations between Western governments and Syria over that country's suspected role in Arab terrorism.

Hasi and Salameh are charged in the March 29 bomb attack on the German-Arab Friendship Society offices in West Berlin. Nine people were injured, some seriously, in the explosion.

The trial recessed after two days on Tuesday, and resumes today.

Hans Stercken, the parliamentary Foreign Affairs Committee chairman, said yesterday the Bonn government should break relations if the West Berlin court rules Syria was behind the bombing last March. "The Federal government couldn't do anything else," said Stercken, a member of Chancellor Helmut Kohl's Christian Democratic Union, in a radio interview. (Reuters, AP)

White S. African driver saved from 'necklace' lynching

A white lorry driver was saved from a "necklace execution" when six colleagues stormed through about 150 rioters in a black area near Johannesburg to rescue him during an industrial dispute, police said yesterday.

Police reported that Gawie Rossouw was driving a lorry at a Vanderbijlpark plant where black workers were striking. He was found beaten unconscious by white rescuers who told police that the attackers were intent on killing him by putting a burning tyre around his neck.

Eastman Kodak, the giant photographic products firm, yesterday joined the growing list of multinational companies to announce plans

to withdraw from South Africa. The company said that under the terms of its withdrawal, no Kodak unit anywhere in the world would be permitted to supply products to South Africa after April 30, 1987, and the assets of its South African operation would be sold.

In Port Elizabeth the U.S. motor company General Motors said yesterday that a three-week strike over its transfer of ownership to a South African concern had been broken.

Industrial relations manager George Stegmann told Agence France-Presse: "We have a turnout of over 85 per cent and more workers are still returning." (Reuters, AFP)

Turkish workers strike

ISTANBUL (Reuters). — Some 3,000 workers at a Canadian-Turkish telecommunications firm are on strike in the biggest work stoppage since the 1980 coup, union leaders said yesterday.

A spokesman for the firm which produces telephones and switchboard equipment, said the strike which started Tuesday followed a disagreement on pay rises under discussion since June.

Intelligence reports discredited

Seoul: U.S. also had Kim dead

SEOUL (AFP). — South Korea's now discredited announcement that North Korean leader Kim Il Sung was assassinated was backed up by similar reports by U.S. intelligence here, a government source said yesterday.

The source said that the South Korean Defence Ministry announced Kim's death only after the Combined Forces Command in Seoul, headed by U.S. General William Liversy, endorsed the information, reportedly given in broadcasts by North Korean loudspeakers in the demilitarized zone separating the two countries.

Local press reports also said that South Korean Defence Minister Lee Ki-Baek received a report from Liversy on Sunday morning saying that Kim had been killed in a "traffic accident."

The Defence Ministry went ahead with the announcement that Kim was assassinated, based on its own military intelligence supported by that of the U.S., despite an apparent conflict with a third official assessment.

The national intelligence service, which is headed by President Chen Doo Hwan and distinct from South Korea's military intelligence, was said to have completely discounted the report. Chen himself was said to have received the report in disbelief.

Meanwhile, Pyongyang Radio reported that President Kim held talks with visiting Mongolian President Jambyn Batmunkh in Pyongyang yesterday. The Mongolian president handed over gifts to Kim and his son, Kim Jong Il, the radio reported, but did not say whether the heir-apparent was present at the meeting.

South Korean opposition deputies charged that the incident had created a credibility problem for the Seoul government. Some went so far as to demand that the entire cabinet resign for causing "anxiety" to the

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Haim Cohn blasted for remarks on Demjanjuk — 'tampering with justice'

By ERNIE MEYER
Jerusalem Post Reporter

State Attorney Yona Blattman yesterday angrily attacked former Supreme Court Justice Haim Cohn for saying that if he were the attorney general he would not have submitted charges against suspected war criminal John Demjanjuk. Blattman said that the case was *sub judice* and that Cohn's remarks "may amount to tampering with justice."

Justice Minister Avraham Shafir yesterday was also critical of Cohn's remarks.

The general reaction to Cohn's statement in legal circles was one of shock and dismay — but not surprise. "Nothing former Justice Cohn says can surprise us any more," said one lawyer, who asked not to be identified because he is a civil servant.

"This does not detract from Cohn's immense prestige," the lawyer continued. "He is respected and liked, but even his admirers know what he is capable of."

Cohn, interviewed for the coming issue of the *Tzomet* Hasharon weekly, said that he himself would defend Demjanjuk. "If only to prevent his conviction on account of the emotional atmosphere surrounding the case," Cohn stressed that after 40 years it was almost impossible to bring reliable testimony to prove the charges.

Cohn on Tuesday evening appeared on Israel Television's midnight news programme in what seemed to be an effort to explain his position. He warned against emotionalism in trying war criminals and stressed that they have the same rights as other defendants. He was critical of the delay in furnishing Demjanjuk's defence counsel Mark

O'Connor with an Israeli assistant.

Referring to Cohn's "40 years" remark, the Justice Ministry lawyer said that the 20-year statute of limitations that applies to capital crimes or those that carry a life sentence was eliminated by special legislation in regard to crimes by Nazis and their collaborators. Similarly, he added, in the 1960s Germany lifted the statute of limitations for Nazi war crimes.

MK Shevah Weiss (Alignment), himself a Holocaust survivor, criticized Cohn's attitude. Tehiya MK Eliezer Waldmann told *The Jerusalem Post* that the former justice's pronouncements undermined the credibility of the judiciary.

Ephraim Zuroff, the director of the Jerusalem office of the Simon Wiesenthal Centre in Los Angeles, described Cohn's statement as a serious blow to efforts being made in several countries to bring alleged Nazi war criminals to trial. He said that during the past five years more than 20 such criminals have been convicted by U.S. courts alone. Although these criminals were tried only for lying on their visa applications, the prosecution in these cases had to prove that they had taken part in war crimes.

Australia and Canada are now considering taking action against suspected war criminals residing in their countries. "Justice Cohn's comments can only bring comfort to those who want to see Nazis and their collaborators live out their lives without fear of prosecution," Zuroff said.

Meanwhile, Tel Aviv criminal lawyer Gershon Orion, who has accepted the Israel Bar's proposal

to assist O'Connor in the case, said yesterday that he will meet O'Connor today to finalize the agreement and to see "whether there is the right chemistry between us." Orion is to receive only the statutory daily fee for court-appointed lawyers, which is very low and nowhere near the actual fee charged by experienced lawyers.

O'Connor says he received much helpful advice from local lawyers, but could not afford their fees, which ranged from \$250,000 to \$600,000, plus VAT, for the case.

Orion told *The Post* that he had weighed the moral and emotional factors for several days before accepting the job. The moral imperative to assist a foreign lawyer is what finally tipped the scales, he said.

Orion, 58, a native Israeli, left the IDF with the rank of Sgan-Aluf in 1978. He joined up as a paratrooper and later studied law under IDF auspices, earning a PhD at New York University.

He served as a military prosecutor in the army and was the first president of the military court in the West Bank. He lectures at Tel Aviv University and is the editor of its *Criminology and Political Science Review*. Regarding former justice Cohn's remarks on the Demjanjuk case, Orion said: "I feel strengthened in my decision by them."

O'Connor said last night that he had met with Cohn earlier in the day and expressed his admiration for the firm stand the former justice had taken. Cohn told O'Connor: "My telephone line is always open to you." O'Connor commented: "He's interested in the perception of the law, not in the guilt or innocence of my client."

In Acre — the walls tumble down

By DAVID RUDGE
Jerusalem Post Reporter

ACRE. — The crumbling walls of houses in the old quarter of this town — unlike the ramparts of ancient Jericho — do not require a blast of trumpets to bring them tumbling down.

Heavy rains or strong winds are often enough to send lumps of centuries old masonry crashing to earth. Sometimes balconies, ceilings and parts of roofs and walls simply collapse of their own accord, without any apparent external cause.

There have been several such incidents in the past few weeks. In one case, a 76-year-old woman narrowly escaped being buried under a pile of rubble.

Kasem Abu Khasneh was asleep when part of her bedroom ceiling caved in. Chunks of plaster and stone cascaded onto the floor, a few centimetres from where she was lying.

She was awakened by the loud crash and fled screaming to her son's home nearby.

"I was terrified. I didn't know what had happened," she said. "I thought it may have been a bomb or something."

The bedroom ceiling is now shored up with steel pillars, and Khasneh has moved her bed into the adjoining room, reeking of damp and the mustiness associated with an old structure.

On the day she spoke to *The Jerusalem Post*, Khasneh had received a letter from the Acre Municipality. Turning away from the grimace she wore which she had been warming her hands, she picked up the envelope and asked a neighbour to translate it into Arabic.

The notice, from the city engineer, stated that the three-story building in which her dingy ground-floor flat is located had been declared unsafe and therefore unfit for human habitation.

There are 250 such homes in the old quarter, 70 of which are the subject of demolition orders. But the majority are still occupied because there is no alternative housing for the inhabitants.

This dearth of accommodation has created another serious problem for the Arab residents of the old quarter — overcrowding.

Despite the dilapidated state of buildings, and the hazards posed by falling masonry, the area is densely populated.

More than 8,000 people are crammed in a quarter that covers just 213 dunams.

It is not uncommon to find between six and eight people living in one room in incredible squalor.

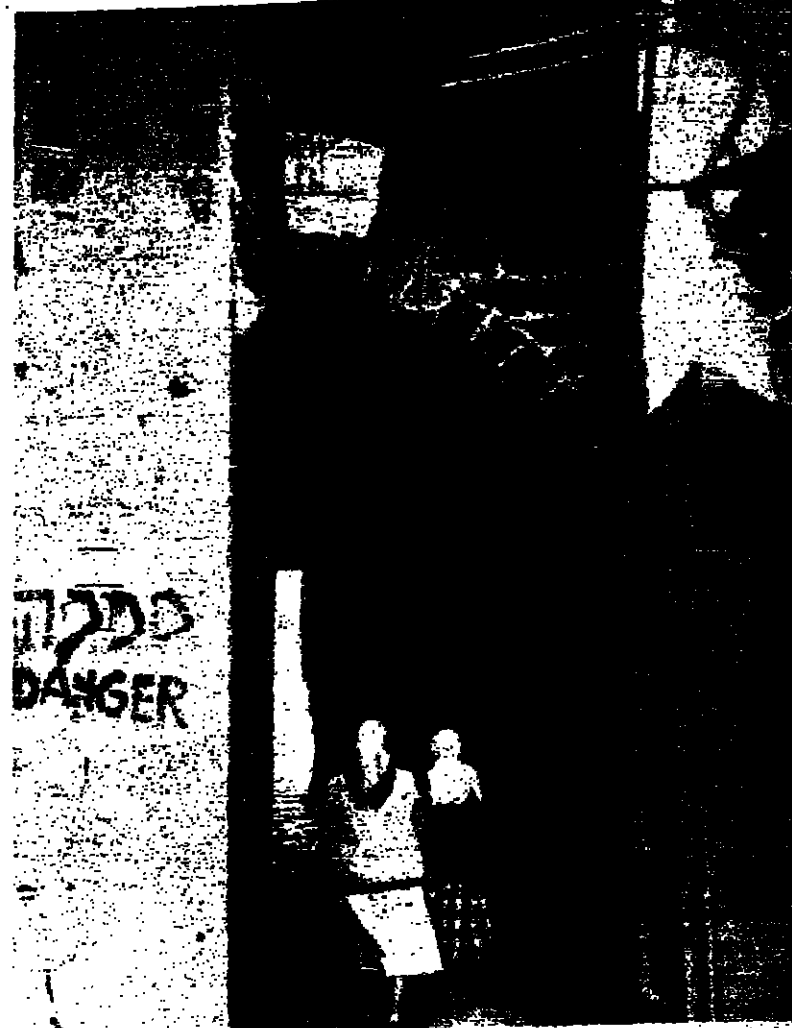
Some residents have renovated their homes. They complain, however, that they did not receive any financial aid from the municipality, the Amidar housing company or government agencies.

"Everything I have done here was at my own expense," said Ahmed, a 30-year-old fisherman, proudly showing me around his refurbished apartment.

"It has taken me four years to make this a place fit for my family to live in and I wouldn't want to leave now," he said.

But many of the old quarter's inhabitants would be only too happy to move, provided that they could still live in Acre.

Khasneh, despite her age and her



The housing problem in Acre.

(Narkiewicz/Media)

attachment to the place that has been home for more years than she can remember, said she would gladly live elsewhere. "But where can I go?" she asked pathetically.

The squalid conditions include inadequate drainage and sewage problems; water pipes are constantly in need of repair. There is also a general shortage of public amenities such as children's playgrounds, health clinics and youth clubs.

And to top it all, there is a lot of drug use and other crime.

According to the municipality's welfare department, the crime rate is significantly higher in the old quarter than in any other part of town.

The residents themselves described the situation as a "social time bomb" that could explode at any moment. In a town like Acre, where 12,000 of the 40,000 inhabitants are Arabs, such an explosion could have widespread repercussions.

On two occasions, the inhabitants of the old quarter have taken to the streets to protest against official indifference to their plight. The demonstrations, in 1965 and 1973, followed the collapse of buildings which claimed the lives of two men.

"We have been very lucky not to have had any further fatalities since then, but it is only a matter of time," said Ibrahim Taha, a member of the old-Acre housing committee.

Taha attended a meeting of the Knesset Economic Committee in May at which Acre's Arab housing problems were discussed in depth.

"The committee acknowledged the problems and decided to visit the old quarter to see for themselves. We are still waiting for them to come," he said.

Town councillor Ramsi Khouri described the lack of action as a

"blatant form of discrimination" against the Arab population.

"I cannot think of a parallel situation regarding a Jewish settlement," he said.

"The impression is that the authorities are deliberately allowing the situation to deteriorate in the hope that the Arabs will voluntarily vacate the old city. If that is the case, they won't succeed," he added.

But municipal spokesman David Goral said that Mayor Eli De Castro had persistently pressed the government to find a solution to the housing problems in the old city.

De Castro recently issued an "SOS" plea to Moshe Arens, the minister responsible for Arab affairs, to lead his weight to the campaign.

He asked Arens to press for the immediate construction of new homes near the outer wall of the old quarter to rehouse the 250 families living in buildings which have been declared unsafe.

De Castro recognizes the danger signs emanating from the old quarter and the potential danger to the continued peaceful coexistence of the town's communities. He is equally concerned about the humanitarian aspect about the conditions in which many of the Arab residents are forced to live.

In the long term he is demanding the establishment of a new housing estate, east of Acre but under the town's jurisdiction, to accommodate the expanding Arab population and further ease the overcrowding in the old quarter.

For their part, the majority of Acre's Arabs support the proposals and welcome the support of anyone who can help solve their pressing problems.

Three Arab youths jailed for molesting

Three Arab youths from the Shufat refugee camp in northern Jerusalem, convicted of indecently assaulting a 12-year-old girl in an abandoned army bunker on French Hill last May, were each sentenced in the Jerusalem District Court yesterday to five years' imprisonment.

The youths, aged between 16 and

18, had dragged the girl into the bunker, where they stripped and gagged her and molested her for an hour and a half. The prosecution had sought 10-year prison terms for each of the accused. In passing sentence, the judge said he had taken into account the fact that the accused had not raped the girl; also, they were all minors at the time of the crime.

Beit Shemesh Engines

The fight to keep a job and work-place alive

Jerusalem Post Reporter

Ten years ago this week, Mark Dibrer arrived in Jerusalem from the Soviet Union. Three months later he was working on aircraft engines at the Beit Shemesh Engines plant.

In the USSR, Mark spent 14 years working as an engineer. So he jumped at the opportunity to pursue his profession so soon after coming to Israel. "I didn't even finish my ulpan but the job sounded so interesting and important — not only for me, but for the country as well," he said.

Yesterday, Mark took the day off to travel to Jerusalem to take part in a fight to keep alive a job and a work-place which he still thinks are important for the country.

Beit Shemesh Engines, plagued for years by financial and management troubles, is now facing losses estimated at some \$65 million. The government, the major shareholder

in the plant, is reluctant to cover the debts and keep the company operating. Instead, the Ministerial Economic Committee has recommended that a receiver be appointed — a move which the workers see as a death blow for the plant.

Some 200 of the factory's 700 workers gathered in the park opposite the Knesset yesterday, to demonstrate their feelings and to catch the attention of ministers and other Knesset members.

There was no rowdiness and little emotional rhetoric. As they sat in groups on the grassy lawn, or brandished signs decrying any attempt to fire workers or close the factory, the demonstrators gave a quiet and professional analysis — to anyone who would listen — of the causes of the factory's problems, and what should be done to make it a viable concern.

Their criticisms centre on two claims: that the factory has been plagued with a long history of faulty

management, and that the government has not only failed to keep numerous promises of support and financial backing, but has also failed to examine if the measures it did take were worthwhile in the first place.

White- and blue-collar workers at Beit Shemesh Engines are proud of their work and their skills. They are convinced that with the right, professional men at the top, the plant can be a profitable and essential asset for Israel.

"We have some important orders for work already from the American Pratt and Whitney company, and other firms, as well as for the Israel Air Force," says Moshe Lavon, who is responsible for the supervision and fulfilling of orders.

"According to Pratt and Whitney, only three plants in the world can produce certain types of engine parts — and we are one of them," said Lavon. He pointed out that Pratt and Whitney had taken shares in the

Israeli concern and invested millions of dollars. "They would not have done so — and they would have pulled out by now — if they didn't consider Beit Shemesh Engines a viable concern," he added.

Arieh Carmel, who has been with the factory almost since it opened 20 years ago, pointed proudly to the display of engine parts and machinery which the workers had set up in the park opposite the Knesset. "What you see here is just a small sample of the products produced or maintained by Beit Shemesh Engines. You have Kfir engine parts, turbines... and back in the factory we are working on production of the engine for the Lavi and on F-15 and F-16 engine parts."

"To do this work requires skilled and experienced craftsmen, using sophisticated machinery and precision tools. This is what we have at Beit Shemesh — Israel can ill afford to lose it all."

After being held for seven months

Two seamen speak of Egypt's jail horrors

Jerusalem Post Reporter

HAIFA. — Two Israeli seamen, who were cleared of hashish trading charges by an Alexandria court seven weeks ago, said on their return here that they had suffered grievously in prison.

The men, Amram Shlush, 53, a sailor on the Zim freighter Camilla, and Shlomo Peretz, 55, who was a steward on the ship, returned by air on Tuesday night and were welcomed by their families at Ben Gurion Airport. They had been imprisoned since February.

Peretz told the press that he and

Shlush had been arrested "by mistake." On shore leave, they had hired a horse-drawn cab to take them to a night club. It had not been to their taste, and they asked to be taken to a belly dancing show.

On arrival at the club they were set upon by about 30 plainclothes policemen, who started beating us up. Shlush, who suffers from diabetes and a bad leg, suffered more than I did. We tried to resist and got beaten up murderously," Peretz said.

They were held in an Alexandria jail for three months "with murder-

ers, drug peddlers, bank managers, army officers, even the officer who guarded [Sgan-Aluf] Assaf Yaguri, during his detention as a POW in Egypt [after the Yom Kippur war]."

"We had to put up with solitary confinement, beatings, humiliations and having our heads shaved," Peretz said. Conditions in a small, two-by-two metre cell, which they shared with 11 others, were abysmal. Peretz said he believed their Israeli nationality had not made things easier.

However, after their release on bail, and after their October 3 acquittal, they had been very warmly received by the Jewish community and members of the Israel Embassy.

Peretz's eldest son had come to Alexandria to celebrate his bar mitzva, and the community was very excited. It was their first bar mitzva in many years.

Despite their experiences Peretz said he intended to return to Egypt, to visit those people who helped them.

The two sailors could not explain why the Egyptians had not permitted them to return home immediately after their acquittal almost seven weeks ago. Both Zim and the embassy had done all they could to press the authorities to speed up their return. During the seven weeks, the men were lodged in an Alexandria hotel by Zim, and their families drew advances on their salaries.

American food sale

Not all kosher labels mean kosher

By HAIM SHAPIRO

Some American products on sale at Super-Sol branches this week may remind you of home, but according to the Chief Rabbinate they may not be kosher.

Rabbi Zvi Liker of the rabbinate's kashrut department told *The Jerusalem Post* yesterday that advertisements stating that all food products in the special promotion are kosher may be misleading. Some of the items have the OU symbol which the rabbinate recognizes, he said, but other items only have a K symbol or none at all.

The K symbol, he explained, only indicates that someone has said the

food is kosher. "He may be an Orthodox rabbi, or a Conservative or Reform rabbi, or even someone else. The food may be kosher, but we can't be certain."

Liker added that if the store had not advertised all the items as kosher, he would not be raising his voice. "We don't say that everyone has to sell kosher food, but if they advertise it as such, it must be kosher."

Mordechai Kreiner, Super-Sol marketing vice-president, told *The Post* that the chain does not knowingly market non-kosher items. "If the Chief Rabbinate don't understand and don't know or don't want

to know, that's their business."

Following complaints from some customers, Kreiner said, the store asked Rabbi Simon Dolgin, a noted Orthodox rabbi from the U.S., to check the products.

Dolgin told *The Post* that the store had been "most cooperative" in removing goods whose kashrut was in doubt. He added that if the manufacturers later showed letters indicating that these items had proper kashrut certificates, they would be returned to the shelves.

In dealing with items with a K symbol, Dolgin said, he made a decision after noting the product's ingredients.

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FEATURES

Cornflakes help finance fresh scientific thought

ANDREW ALT/Special to The Jerusalem Post

WHEN TAMAR KRULIK thinks of Kellogg's her first association is not with cornflakes but with chronic childhood diseases.

Krulik, 42, is chairwoman of the nursing programme at Tel Aviv University's Sackler School of Medicine. She is also a member of the first group of 29 professionals from 18 countries to be awarded Kellogg Foundation International Fellowships.

"The Fellowship Programme concentrates on advanced professionals in the areas of health and agriculture," she explains. "The grants are for \$75,000 over a three-year period, and are generally given to persons who are well established as leaders in their fields and are interested in initiating a specific project."

In Krulik's case, the project is the development for the Greater Tel Aviv area of a "community-based, comprehensive, intervention model, for children with chronic diseases and their families."

In 1972, while working at the Sheba Medical Centre in Tel Hashomer, Krulik first recognized a problem in the method of treatment of children with such conditions as congenital heart defects, cerebral palsy and mental retardation.

"What we were doing there was not compatible with the needs of the families," she reflects. "I felt constantly frustrated, watching the same families coming in over and over again."

Krulik became so intrigued with the problem that she devoted her doctoral studies to chronic diseases of childhood. She began to suspect that in many, perhaps most, cases, it would be far more effective to treat the family rather than the child.

"It seemed to me that what was missing was some kind of coaching for the family," she says. "I thought it would be best if we could bring the service to them, to act as facilitators, using their strengths, and advocate self-care."

This hunch was reinforced by a survey of mothers with chronically diseased children that she and two colleagues conducted in 1981.

"We expected the interviews to take about an hour each, but generally they were much longer, with some lasting up to five hours," she recalls.

"We discovered that the illnesses touched many areas of daily life. The disruption of the family's resources — time, space and money — were affected. There were social and psychological handicaps, both of the child and the other family members, due to the diseases. And there were

the frustrations arising from the parents' uncertainty as to how to deal with the medical regime."

These three areas, along with tips about home care and treatment, provide the foundation of Krulik's plan for an intervention model in which trained personnel will visit such families, offering instruction and counselling.

"We are in the first phase now," she says, "developing and evaluating various models with a large steering committee made up of nurses, social workers and representatives of the health-care services. In the next phase, we will begin the training and making actual interventions, hopefully by April next year. It's very exciting."

ROC ORDMAN, 37, is a biochemistry professor at Beloit College in southern Wisconsin, and holder of a Kellogg National Fellowship. Like their international counterparts, these grants are awarded on a three-year basis. However, they carry a \$50,000 stipend, and their focus is slightly different: they allow young professionals to travel and conduct research outside of their chosen professional areas.

"Basically, there are two things these grants want to accomplish with these national fellowships," says Ordman. "The first is to help fill the void in national leadership that is now emerging in the States as a result of the anti-establishment attitude in the 1960s."

"Secondly, it's a reaction to the increasing degree of specialization in the workplace. We are now beginning to see the need for people with interdisciplinary backgrounds to act as interpreters among the experts. Specialists provide pieces of the puzzle, but you need generalists to put them all together."

Ordman is in Israel now, leading a student seminar on natural-resource scarcity and management. It was a similar seminar, conducted four years ago, that led to his receiving a Kellogg National Fellowship in 1985 to study science policy.

Science policy is essentially the interaction of scientists, government and society that determines how scientific resources are used to further the development of a nation.

"The Middle East provides an excellent backdrop against which to view the differences in science policy between developed and developing countries, with Israel and Egypt geographically close, yet technologically worlds apart."

"In developing nations such as Egypt," says Ordman, "science poli-



Families of handicapped children and others with chronic problems need special help. (Karen Ben-Zion)

cy is directed primarily toward the three fundamental areas of health, education and agriculture. You have to educate people in order for development to occur, but at the same time, you can't educate someone who is sick or hungry."

Once a nation has secured these basic concerns, it can move on to scientific "luxuries." Israel is, in this respect, a genuine success story.

"Since its inception, the State of Israel has relied on its scientific resources to compensate for its lack of natural resources," says Ordman. "When you compare it to a nation like Egypt, which enjoys an abundance of natural resources — water, arable land, oil, population — it is truly remarkable what has been accomplished here."

The accomplishments to which he refers include the world's foremost agricultural research center, the Volcani Institute in Beit Dagan; the Dead Sea Works, which employs the world's most efficient methods of harvesting minerals in solution; and Beersheba University's Arid Lands Research Centre, which is responsible for maintaining and increasing levels of agricultural production in some of the world's most inhospitable soils.

"ISRAEL HAS an extremely well-developed set of institutions for promoting science policy, and this has been one of the keys to its success," Ordman asserts. "For instance, whereas Israel has a Ministry of Science, the United States, right now, doesn't even have a science adviser to the president."

In addition to Israel and Egypt,

Ordman has pursued his study in England, Nicaragua and, most recently, Ecuador. While in South America, he observed something interesting about the universality of farming know-how.

"The Inca farmers used to run stalks of bamboo along their crop-lines to transport water, and punched holes wherever they passed near a plant. Sounds familiar?" he smiles. "Now, Ecuador imports all of its drip-irrigation technology from Israel."

Ordman hopes to continue his travels and study science policy in the USSR, China, Japan, India and Kenya. He is working on a science policy textbook dealing with the direction in which current technologies are leading and how society should respond to these developments.

"A number of controversial areas are evolving in the scientific community right now," he says. "Notably, genetic engineering and genetic mapping. We should be developing policies for dealing with these technologies, and with their potential effects on society. But in America, we are in the habit of forming 'crisis policies' rather than pre-emptive ones. That's something we need to change."

It is this type of thinking, and consideration of the human condition, that the Kellogg Foundation hopes to promote through its funding of people like Tamar Krulik and Roc Ordman. Though cornflakes may be its best-known product, the Kellogg National and International Fellowships may well be its most important ones.

Proud and polite

THERE AND THEN
Sraya Shapiro

DAPPER John Furman does not seem Jewish at first glance. In his native London, it counted as an advantage when looking for a job. "Indeed, what did I know about Jewishness except for the Sunday School lessons in Hebrew and the bar mitzva ritual? After bar mitzva I forgot everything, even how to read Hebrew." Today, John Furman, O.B.E., M.C., president of the Israel-British Commonwealth Association, chairman of the British Legion and member of the board of governors of the Tel Aviv University, speaks an impeccable Hebrew, rarely groping for a word. His cadence, however, is much slower than in English, and he knows his limitations. "Had I acquired a better mastery of Hebrew I would have gone into politics," he muses. He does not know how lucky he is.

The fact is that Lt. Colonel (res.) John Furman has little patience with the verbal intricacies that politicians use to advance their aims. He would take no nonsense for an answer.

He could not understand, for instance, why Zim, the national shipping company, established shortly after the emergence of the state, needed three directors, two of them totally unprofessional politicians whose only knowledge of the sea was obtained by running the British blockade with "illegal" immigrants. As nobody had explained some of the basic facts of Israeli society to him, Furman quit.

A CHARTERED accountant, Furman enlisted in the British army as soon as war was declared in 1939, and was assigned to the artillery corps. But after getting a commission, he was transferred to intelligence, and transferred to the Middle East.

He was in Tobruk when it fell, tried to escape, on foot, but was captured, and sent to Italy. He fled the POW camp, fooling the German guard by pretending he was a member of a gang sent to fetch water, but was recaptured. A second bid to escape was successful. The war was drawing to an end, and after several missions to Soviet-held areas — "Warsaw was a heap of rubble when I visited it, only a few buildings the Nazis needed for themselves stood erect" — he found himself in England again, looking for job. A wartime acquaintance with the right accent recommended Furman to an accounting firm in the City.

"The manager was an amiable chap, and we immediately found a common language," Furman recalls. He was given a senior position and attended the meetings of the gov-



John Furman (Irit Sapir)

erning board. But one day, as the chairman went over applications for loans, he dismissed a file which was signed by "some Jew."

"Usually very polite, the English would do their best not to offend a Jew in their company — if they knew you were a Jew. But off guard, in army barracks, for instance, after the lights are out, soldiers, and even officers, would give vent to blasphemous interjections, some directed against Jews." He would not call that anti-Semitism, "just how people talk." Complaining would be awkward, perhaps un-English. "But it was not very pleasant."

With people you worked for, however, it was different. "I approached my boss and told him I was Jewish, and whether he was prepared to have me in his office. He seemed surprised, told me not to be 'so sensitive,' and carry on." There were no more incidents of that nature any more.

IN 1948, however, something dramatic was happening in Palestine. "I felt I should be there. But I had no contact with the Zionist establishment, so it took some time until I discovered how to apply. Oved Ben-Ami, then mayor of Netanya, gave me a letter inviting me to join his administration as the town's treasurer. He added: 'I know you want to serve in the army first, but then my offer stands.' In November, John Furman was in Israel, meeting another British ex-soldier, Sgan-Aluf Chaim Herzog, then head of military intelligence. "They gave me the rank of major. One could not expect a subordinate to have a rank equal to his commanding officer. I did not care, I was prepared to serve as private."

Furman did not go to Netanya, as he was offered a more promising post as comptroller of Zim. From Zim he went to the Palestine Economic Corporation, a subsidiary of an American-based, Bank Hapoalim-sponsored investment company. "They finally pressed me to take over as Ampal's president and live in New York for two years. I accepted, on condition that I stay in a hotel, and not rent or buy a house. We stayed three years in the U.S., and then came back. I did not come to Israel to become an expatriate in New York."

How English to take one's allegiance so seriously.

Wisdom from Ethiopia

HAIM ROSEN
Special to The Jerusalem Post

For an Ethiopian, it is considered the height of rudeness to accept an invitation from someone who has only asked once. Such an offer is looked upon as a mere formality: it does not mean, at least to someone raised in an Ethiopian setting, that the person issuing the invitation is serious.

Even a second offer is not taken seriously. Only when it has been made at least three times, does the Ethiopian actually believe the invitation has been offered in earnest.

For the impatient Israeli, such behaviour may seem strange, but for Ethiopians, it is an essential hallmark of their culture. They consider patience a golden virtue, as many of their proverbs illustrate. The Amharic saying *rigist marara nech* — patience is bitter — *ferewa gin, rafach new* — its fruit, however, is sweet, characterizes their attitude to life.

During psychometric testing of Ethiopian students to determine how they would fit in to the regular Israeli school system, it was found that the Ethiopians did not perform as well as other Israeli students. The psychologist in charge of the testing then decided to introduce certain modifications: When he doubled the time allotted for the tests he found a marked improvement in many of these students' results.

For Israelis, this would produce the opposite effect — the more time they have, the more nervous they get. The Ethiopians on the other hand are eager to work at their tests for as long as possible.

ETHIOPIANS ALSO set great store by hope in the future. The proverb *ges biqes canjula, begru yehedal* ("slowly, slowly, an egg walks by its leg") means that one should be patient, especially during hard times, because the future is bound to be brighter. While still in Ethiopia, this proverb also took on the equivalent meaning of what Jews elsewhere have in mind when they say *L'shana haba b'yerushalayim* (next year in Jerusalem).

Now that a good portion of the community has seen this dream fulfilled with its arrival in Israel, the proverb's implications have been altered to deal with the new challenge of successful absorption. Its new message is "Be patient and work hard, and you'll achieve what you want," plus the further message: "Don't be upset when Israelis seem impatient with our progress. They have a different sense of time from ours. Have faith that in time, everything will work out for the best."

The writer is a research anthropologist who has carried out research among the Ethiopian Jewish community.

Clear case of fraud

LAW REPORT / Asher Felix Landau

In the Supreme Court sitting as a Court of Criminal Appeals before the President, Justice Meir Shamgar, Justice Shoshana Netanyahu, and Justice Eliezer Goldberg, in the matter of the Attorney-General, appellant, versus Leonard Erwin Friedman, respondent (Cr. 579-86).

THE RESPONDENT was indicted in New York on charges of grand larceny. The prosecution alleged that he and his associates had misled prospective buyers in promoting a device called the "Energy Brain." It was offered to stores and restaurants as an energy-saving product and so investors would enjoy an income tax rebate. In the prospectus describing the scheme, the value of the device was grossly exaggerated; for example, a device worth \$825 was represented to be worth \$80,000. According to the prosecution, 695 investors had defrauded of \$13m., with the respondent and an associate receiving \$3m. each.

Under section 3 of the Extradition Law of 1954, "Where a request has been submitted by a foreign state for the extradition of a person accused or convicted in that state of an extradition offence...the Minister of Justice may direct that he be brought before a District Court in order to determine whether he is subject to extradition."

The crimes regarded as "Extradition Offences" are set forth in a schedule to the above law, and include the crime of obtaining something by fraud in aggravating circumstances under section 415 of the Penal Law of 1977. Where the minister of justice has issued a direction under section 3 of the Extradition Law, the attorney-general is required, under section 4 of the law, to petition the District Court for a declaration that the wanted person is subject to extradition.

Under section 9 of that law, the District Court must then be satisfied, *inter alia*, that the wanted person has

been convicted of an extradition offence, "or that there is evidence which would be sufficient for committing him for trial for such an offence in Israel."

The U.S. government requested the respondent's extradition, and pursuant to the minister's direction, the attorney-general petitioned the District Court. The court held, however, that the evidence against the respondent was insufficient, and dismissed the petition. The attorney-general then appealed to the Supreme Court.

In giving the judgment of the Supreme Court, Justice Meir Shamgar dealt first with formal arguments of respondent's counsel relating to the admissibility of the evidence given against the respondent in the U.S.

After referring to the relevant provisions of the Extradition Law, the Extradition Treaty between Israel and the U.S. and the Extradition Regulations of 1970, the president of the court rejected these arguments. Counsel had emphasized, Justice Shamgar continued, that the prospectus referred to contained a warning that the tax authorities may not accept the value of the device stated, and also urged the potential investor to seek independent advice, stating that the investment involved a certain amount of risk.

The District Court was of opinion that the investors had relied on

obtaining the tax rebate. In other words, it had not been proved that the investors had suffered any loss and had acted solely on the false representation as to the value of the device.

JUSTICE Shamgar said he did not agree with the above conclusion. He then referred to Supreme Court precedents and pointed out that the prosecution was not required, under section 9 of the Law, to establish the guilt of the wanted person beyond all reasonable doubt as would be necessary in a criminal trial. It was sufficient to prove a *prima facie* case — to show that the charge alleged had some basis, that there was sufficient evidence to put the wanted person on trial, and no more. Such evidence existed in the present case.

The elements of the alleged offence were that the respondent had made a false representation, and that representation induced the act or omission of the person deceived. It was necessary to prove the causal connection between the false representation and the act or omission of the person deceived.

The respondent contended that in fixing the published value of the device he had relied on the opinion of an expert valuer, but the evidence showed that the valuer had relied on false documents, and had signed the valuation without himself testing the device or believing in the value he had fixed. Moreover, the evidence showed that one of the investors had relied on the valuation in the prospectus.

COUNSEL'S principal argument, Justice Shamgar said, was that the investors relied in the main on the tax rebate they would receive. This, however, was not so. Nothing was said in the respondent's advertisements about the fact that the rebate would be based on the true value of the device and would be cancelled as soon as the lie was discovered. No one could know how potential investors would be influenced had they known that the rebate depended on the chance that the value of the device would not be checked by the tax authorities. The device had been

presented as worth a hundred times its value, and that the rebate would only be given if the lie was not discovered. Indeed, the most misleading statement in the prospectus was the understatement that it was possible there would be differences with the tax authorities as to the value of the device. True, there was the evidence of only one investor who had relied on the false representation, but that was enough to constitute the *prima facie* evidence required.

Counsel had relied strongly, Justice Shamgar continued, on the warning in the prospectus of possible differences with the tax authorities, and the necessity of receiving independent advice. These factors, however, he said, had no bearing whatsoever on the false representation. A person who knowingly represented a piece of tin to be gold, and demanded its value as if it were gold, could not evade responsibility by adding "go and consult an expert."

The court would judge the representation in the light of all the facts, and the offender could not escape by simply adding words which in no way derogated from the nature and content of a representation containing a clear and factual description of the article in question. There was a marked difference between someone saying that he was not sure of the value of an article and it would be wise, therefore, to take objective professional advice, which was not the present case, and someone presenting a clear factual thesis as to the value of the article, mentioning a specific sum, and strengthening his statement by reliance on a false valuation, and then adding the advice to consult some other undefined person. The test was always the certainty and clarity of the false representation. The addition of words which did not deviate from the factual thesis presented could not destroy the effect of the representation, and its factual and legal implications.

Counsel had argued, Justice Shamgar said, that the element of "aggravated circumstances" had not been proved. However, *prima facie* proof was sufficient, and the scope of the fraud, and the complex planning of the scheme based on false publications and supposedly professional opinions, were enough to satisfy this requirement.

For the above reasons the appeal was allowed, and the respondent declared subject to extradition.

Advocate Dennis Goldman, senior assistant state attorney, appeared for the Attorney-General, and Advocate Yehuda Moritz for the respondent.

The judgment was given on November 2, 1986.

Plain charisma

DANCE
Dora Sowden

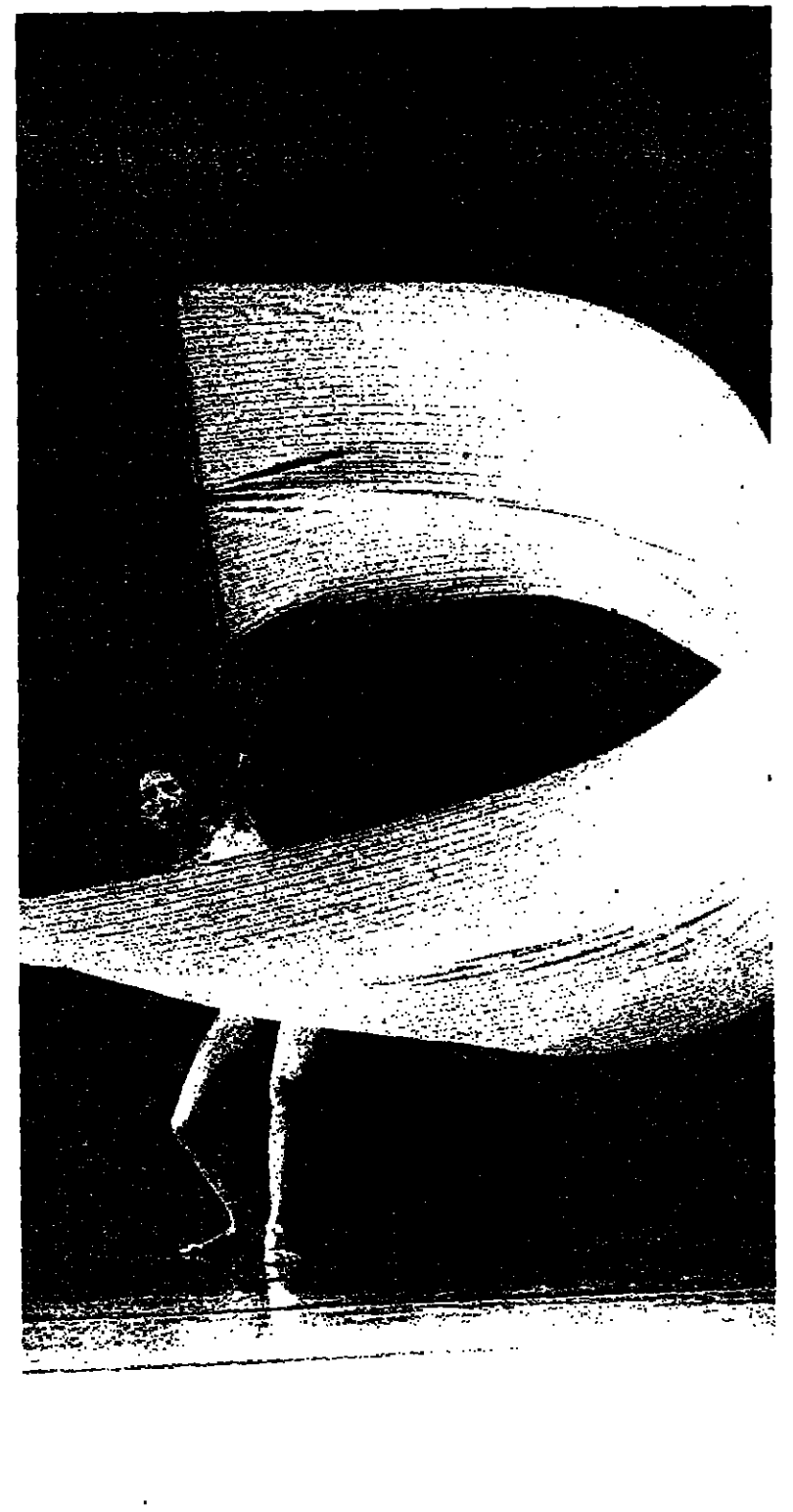
IN THE first 25 minutes of Rina Schenfeld's revised version of her *Waves* at the Tel Aviv Museum (November 13), the thought did occur that it was different in some ways but not better. In the 45 minutes of the second half, however, there were such interesting transformations, the group finale was so stunning and Schenfeld's last solo so beautiful that any earlier doubts were put to rest.

As the programme indicates, Schenfeld has drawn inspiration from Virginia Woolf's novel *The Waves* and anyone who knows *Virginia Woolf* realizes that this implies evocative imagery and rarefied logic — if any. So the Schenfeld *Waves* also pursued a "stream of consciousness," in terms of movement, of course, in association with various simple and not-so-simple objects and minimal and not-so-minimal music.

Lengths of cloth — to make "waves," to use as covering, to serve as frame and to propel ideas like dreams — were persuasive props here as heretofore. There were also sticks and handsets, horns and shining plastic "mirrors" that flashed like lightning and made sounds like thunder (credit: John Davis for lighting). At one time, the dancers let sand seep through their hands like rills of water; at another, sounds of running water accompanied a ceremony with glass water containers.

Sexual implications were many, but, strangely, not really sensual. Embraces between two (female) figures were chastely loving. The mating of peacocks was indicated in the dance between Myself (Schenfeld) and the figure with the feathered wands (Sigal Sperling) but without lust like the mating of birds. The encounter of Myself and the Deer (Tamar Feigenblatt) and the patterns made with the horns were more elegant than erotic.

Other nymphs who contributed certain body quality and style — for the members of the Schenfeld Dance Theatre were a well-knit group throughout — included Tamar Borer, Ingeborg Sandby and Margalit Perry. When it came to the climactic ensemble, two others joined in to make exciting animation; but Schen-



Rina Schenfeld in the original 'Waves'.

(Ya'acov Agor)

feld herself was still the one who set the mood and focused the moment like no one else.

With a long piece of material attached to two sticks, she conjured up a multitude of images. Pushing a portion into her waistband, she turned it into a dress for a winged

figure. Using it as a flag, she seemed to float out on it in the air. The charisma and the skill were plain to see.

The performance will be repeated at the Tel Aviv Museum on November 30 and at the Jerusalem Theatre December 9.

BE WRECK-LESS
DRIVE SAFELY

Exporting the revolution

"FROM THE very beginning we have said that we intend to export our revolution," the Ayatollah Khomeini recently reminded a meeting of Iran's ambassadors to Arab and African countries. He went on to explain, "Exporting our revolution is not achieved by military action; we would like, instead, to voice our views in the world."

Iran is one of three centres actively engaged in spreading the message of Islam in Africa and the rest of the Third World: the others are Saudi Arabia and Libya. The Saudis and Iranians are bitter political and ideological rivals, while the Libyans and Iranians are political rivals, with each wishing to present its own model of an Islamic Society - Colonel Gaddafi's Jamahiriya and Khomeini's Islamic Republic - as the ideal to be followed.

The Saudis spend considerable sums in backing Islamic missionaries and institutions. Their missionary work corresponds more closely to Christian evangelical societies, with its main emphasis on education and welfare. The Saudis favoured instrument to promote these missions is the Islamic Conference Organization (ICO).

The Libyans, too, spend large sums in promoting their ideas, but devote more of it to providing arms and other forms of political support in subverting "hostile" regimes in the Middle East, Africa and as far afield as the Philippines. Although Gaddafi's main interest is to promote Islamic political forces who will look to Tripoli for their spiritual and political leadership, he has shown his willingness to support non-Islamic movements which are opposed to regimes (even Moslem ones) which he would like to see brought down.

Gaddafi's way of spreading Islam finds no favour in Khomeini's eyes. One of his principal spokesmen, Hashemi Rafsanjani, the Speaker of the Islamic Consultative Assembly (the Majlis) made this clear when he told a meeting of Iranian ambassadors, "the method of force and im-

position for the export of ideas and inclinations is not to our liking." Iran has rapidly expanded its presence in Africa, since turning its attention to the continent in 1982. A "Support for Africa" organization has been established in Teheran to back up the work of the Foreign Ministry.

The Iranians have used international forums to win African and other Third world friends. At a conference of Moslem leaders from 23 countries held in Gaborone, Botswana, in July 1985, the Iranian delegation introduced a resolution saying that "in view of the impoverishment of the Islamic world and in some Asian countries, and the exploitation of this state of affairs by imperialist Christian organizations, we propose that an international Islamic Bank be established under the guidance of the Islamic Republic of Iran to enable Moslems to deposit their funds therein, thereby helping the deprived masses and the mujahidin struggle."

At the recent extraordinary session of the UN General Assembly to discuss Africa's economic plight, Iran's delegate proposed that all oil-exporting countries should add a dollar to the price of each barrel of oil they export, and that the revenues accruing from this source should be allocated to relieve African countries of their foreign debts.

At the recent summit meeting of the non-aligned nations held in Harare, Iran offered to support the idea of a Pan-African Army to assist the front line states and liberation movements in their struggle against South Africa.

This new diplomatic importance being given to the continent is emphasized by the publicity given to cabinet discussions and decisions on Iranian foreign policy. Reporting one such cabinet discussion on 18 June 1986, the Prime Minister said:

COLIN LEGUM / London

"Wherever we observe a movement in favour of defending the oppressed we shall stand beside it. Naturally, we shall strongly support Robert Mugabe's (the prime minister of Zimbabwe) plan for the formation of a multi-national army to combat Pretoria's aggression, should it come to fruition. We view this as a way of eradicating traces of the colonialism and cruelty of the West and the existing arrogant powers."

This offer to provide military support in Southern Africa was repeated last month, on September 27, by the Iranian ambassador to Zimbabwe, who told a press conference that his country was "the first to declare voluntarily its readiness to participate in a special defence conference to deal with practical ways of confronting the apartheid regime of South Africa." He added that "Iran is firm in its decision."

Majlis Speaker, Hashemi Rafsanjani, spoke of the victories being gained by Islamic forces when addressing a meeting of students at Teheran University in August 1985. Among the victories he listed were:

Egypt: "Widespread uprisings and resistance by free Moslems to injustice and tyranny...the Egyptian people are working towards repeating the successful Iranian experience in destroying U.S. tyranny and influence in the country."

Uganda: "The ruling tyrannical clique has received its punishment after it assaulted the rights of Moslems. The persecuted Moslems rid themselves of evil. Northern, eastern, western, southern and central Africa are witnessing the awakening of all Moslems."

Sudan: "The 'tyrant who is opposed to Islam, Nimeiri, has fallen before the fire of Islamic expansion despite his false pretension to adhere to Islam."

Afghanistan: "The Moslems bear arms with strength in order to wage a great and zealous struggle against the aggressive Eastern great power."

Palestine: "Moslems have begun to realize the truth that the only way to rescue Palestine is through reliance on the power of Islam, and that narrow nationalist slogans and leftist and rightist factions will achieve nothing."

Another "achievement" recorded by Teheran radio on September 13, 1985 was that mosques in Cape Town - "a city mostly inhabited by Moslems" (sic) - have been turned into "bases of Islamic fighters against the racist regime."

IRANIAN emissaries have become frequent visitors in African capitals. President Khomeini visited four of the front line states (Tanzania, Mozambique, Angola and Zimbabwe) in January 1986 at the conclusion of his visit to Pakistan and South Yemen. During this visit he also held meetings with the African National Congress (ANC) and Pan-Africanist Congress (PAC) of South Africa and with Swapo of Namibia. His message was:

"We are here to express our solidarity with the legitimate and right struggle of the peoples and governments of the front line states against racism and apartheid...With the same spirit that we fought against the Shah and brought the regime to its knees so, too, we are ready to put the same amount of effort into bringing down the Pretoria regime."

Khomeini also noted that the Moslems in South Africa were "in the forefront of the fight against the racist regime."

On his return home, Khomeini reported that the front line leaders "ardently welcomed our offer of co-operation and felt that Iran and the Islamic Revolution constitute the ultimate strategic depth in the struggle against the racist South African regime."

Iran's Foreign Minister, who visited eight African countries in Au-



Show of religious fervour in Iran.

(Camera Press)

gust 1986, reported "broad agreement on Africa's problems and on expanding bilateral relations." Racism in South Africa, he said, topped the list of African concerns. Two other senior Iranian Foreign Ministry officials, Ali Mohammed Besharati and Javad Mansuri, recently visited Tanzania, Zimbabwe, Mozambique, Angola, Ghana and Sudan.

The Iranians have also played host to a number of African leaders, including those from liberation movements. Swapo has been allowed to open an office in Teheran, and both the PAC and ANC have been invited to do so as well.

Iran's strategy for "exporting its revolution" is clearly based on a policy of initially establishing friendly relations with as many countries as possible - not necessarily only with those with predominantly Moslem populations. It seeks to promote this policy by offers of economic and technical aid as well as by promoting trade. Steps already taken in implementing this policy include:

An offer to Tanzania to continue helping with oil deliveries. Under an existing agreement, Iran has been delivering oil shipments of unknown quantity. (In December 1985 the arrival of 65,000 tons was reported.) Iran also agreed to establish a vaccine manufacturing centre in Tanzania and to help train specialists to operate it.

An offer to supply technical expertise to Uganda in May 1986 to help the country's reconstruction.

A cultural agreement signed with Ghana in January 1986.

Diplomatic relations with Marxist Angola were established in January 1986 following the signing of an agreement based on mutual respect, non-interference in each other's internal affairs, and reciprocity of rights.

The Iranian Red Crescent Society reported in June 1986 that the Iranian public had donated \$137.5 million and 20 tons of food to "Muslim hunger victims" between March 1985-March 1986. Six cargo planes and a ship carried 5,000 tons of food, medicine and clothing to South Yemen, Mozambique, Sudan, Guinea, Sierra Leone, Niger and Bangladesh.

The Iranian Red Crescent promised to establish medical centres in the near future in Tanzania, Zanzibar, Mozambique, Sierra Leone, Nigeria and at Peshawar in Pakistan. IRAN, however, has found itself caught up in a number of embroglios for several reasons because of their inexperience in dealing with Africans; their zealous efforts to promote their idea of an authentic Islamic society; and their uncompromising refusal to depart from their own social practices.

They found themselves wrong-footed on two different occasions in Zimbabwe. The first was when the Iranian embassy in Harare distributed a newsletter which referred to Zimbabwe's Prime Minister Robert Mugabe, and to President Kenneth

Kaunda of Zambia and President Samora Machel of Mozambique as "loud-mouthed puppets of the Pretoria regime." When Zimbabwe's Foreign Ministry protested, an embarrassed Iranian diplomat apologized and explained that the newsletter had been issued "in error" by an official with an inadequate knowledge of English! But the Zimbabwean media could not help speculating about the origins of a newsletter clearly based on a confidential Iranian Foreign Ministry evaluation of these three front line leaders.

Later, when President Khomeini paid an official visit to Harare, he refused to attend a state banquet in his honour because women were to be present, wine was to be served, and journalists had been invited. Mugabe decided that the banquet should go ahead without the guest of honour. Zimbabweans also complained that Khomeini had refused to shake hands with women standing in the official line of welcome, including a minister, Victoria Chitepo, the widow of the Zanu martyr, Herbert Chitepo.

But despite these incidents, relations between Zimbabwe and Iran appear to be friendly.

In Sierra Leone, the authorities were embarrassed when 150 people gathered at the Iranian embassy in Freetown volunteering to fight against Iraq and "the enemies of Islam."

There was a more serious contretemps in Nigeria over the distribution of Islamic fundamentalist posters by the Iranian embassy. Two of the country's leading papers - the *Daily Times* and the *Nigerian Chronicle* - criticized the action of the Iranian embassy in distributing posters advocating Islamic fundamentalism. The *Times* commented that Nigeria, a multi-religious society with exemplary tolerance, was not a place for "the Iranian brand of Islam which is characterized by violence." Both papers called on the authorities to halt the circulation of further posters, and stressed that "Iran must not be allowed to sow the seeds of religious discord in Nigeria."

The Iranian embassy agreed not to issue any further posters of this nature.

Colombia suffers post-cocaine withdrawal pain

TOM WELLS / Moro, Colombia

TWO YEARS ago, peasants here earned so much money that they drank French champagne and drove new cars, the galloping beat of guitar music echoed from all-night parties, and traditional crops of bananas and coffee were left to rot in the fields.

Coca was king on the farmland around El Morro. The leaf and the cocaine base it makes were producing a steady flow of cash - up to \$50,000 a year for some peasants. But times have changed. The government has cracked down on coca growing in this area of southern Colombia, and United Nations aid workers are trying to win peasants back to customary crops. They have less money, but some farmers seem satisfied to return to older, poorer ways.

"This was a peaceful place until the coca came," said Francisco Ruano, who swore off the coca business when he found his two small sons with cocaine-base cigarettes. The coca shrub has grown for thousands of years in these misty Andes Mountain valleys, where the Indians chew the leaves as a stimulant to lighten the load in their difficult lives.

In the late 1970s and early 1980s, increasing U.S. demand for cocaine reached into southern Colombia. Farmers realized that coca plants, which can be picked three or four times a year, promised richer har-

vests than bananas. Although most of the base is brought into Colombia from Peru and Bolivia, at least 37,000 acres were in coca cultivation in Colombia by 1984, the U.S. Drug Enforcement Administration estimates.

The first step in the cocaine-conversion process takes place in the growing area, where the picked leaves are mixed with gasoline and other chemicals, in a relatively simple process, to produce base. The base is then shipped to Colombian cities, where it is refined to cocaine.

THE COCA bonanza was a boost to this impoverished area 362 kilometres southwest of Bogota, the Colombian capital.

The average annual family income in Colombia is \$365, and in some villages as many as 10 per cent of the babies die in their first year. But two years ago, as U.S. pressure mounted on the Colombian government to eliminate the cocaine business, anti-narcotics police swept through the El Morro area and cut down coca plants by the thousands. The police told the peasants that if they went back to growing coca they would go to jail.

Some peasants kept at it. The police returned and six farmers from the El Morro region are serving time in prison. Some like Ruano abandoned the



A cocaine sniffer and the plant itself.

easy life because they decided it was a rotten life.

Ruano's wife, Ana, recalled, "A lot of men got drunk all the time and moved into town with another woman. Wives and children were left to get along on their own. The men, they just went crazy with greed and all that money."

Ruano said he squandered his coca money. He and his family still live in their cramped little house, and the peasant who once owned three automobiles now walks 40 minutes to El Morro village and his job in the UN rehabilitation programme.

Coca leaves are still available in small quantities in the main plaza in Bolivar, a farming town of 5,000 people a half-hour's drive on a dirt road from El Morro, but those leaves are sold for chewing - a technically illegal but tolerated business in Colombia. The big-money cocaine business appears to be

drying up.

THE UN Fund for Drug Abuse Control and the Colombian government have teamed up in the effort to persuade the El Morro peasants not to go back to growing coca, by making farming more profitable and life healthier.

In 15 projects, water pipes are being laid for irrigation and drinking water, roads are being built to facilitate shipment to market, and farmers are being taught to grow such garden vegetables as carrots, cabbage and green beans, said Hugo.

At the area school, children who once were taught little more than reading, writing and arithmetic are being taught to care for pigs and chickens and to raise vegetable gardens.

The UN agency has thus far spent \$1.3 million on the four-year programme and an additional \$1.5 million has been approved, Hugo said.

Colombian government agencies are helping peasants get titles to lands they live on, so that they can obtain bank loans, the UN field adviser said.

The government is also opening health clinics and sending doctors to visit remote areas. Most children here suffer from malnutrition because their families cannot afford the luxuries of milk and meat, said Sofonias Yaeup and Gabriel Zambrano, two physicians in the rural clinic programme.

Some El Morro residents were never lured into the cocaine trade. Eighty-year-old Marcelano Gomez said he prohibited his family from growing coca. His two grown daughters nodded in agreement, and said it was difficult not to join in while others were enjoying riches beyond belief.

"But he was right," said daughter Luz Gomez. (Associated Press)

Furore over tale of a mole

SIR ROGER Hollis has been dead 13 years. He retired as head of Britain's MI5 spycatcher organization over 20 years ago. But he is still not being allowed to rest in peace. In an Australian court this week, the British government is fighting what now seems likely to be a losing battle against the publication of a former MI5-man's memoirs. For Peter Wright, MI5 "mole-hunter" extraordinaire from the mid-Fifties to the mid-Seventies, claims in his book that Hollis was a Soviet spy.

The charge is not new; it was even contained in a 1981 bestseller called *Their Trade is Treachery* by Chapman Pincher, a book that the British government made no attempt to suppress. The source then as well as Peter Wright, but Pincher did not name him, and the government claims that there is a world of difference between unsubstantiated allegations in an outsider's book, and fully documented charges in the memoirs of a former secret serviceman.

For Wright, now an ailing 70-year old who may well die before the current court wrangling is over, Hollis's "treachery" has become almost an obsession.

His charges are based on Hollis's behaviour over 20 years, from the days towards the end of World War II when someone told the Russians that the FBI was decoding all their signals, right up to Hollis's retirement, under a cloud of suspicion, in 1965.

MI5 KNEW that it had been deeply compromised throughout the 1950s and 60s, and Wright suggests that Hollis ingeniously turned suspicion on to innocent operatives and then refused to let those operatives clear themselves.

Hollis's deputy, Graham Mitchell, was falsely suspected at one point. But Hollis would not countenance Mitchell's interrogation, on the grounds that Mitchell might defect if alerted, according to Wright. Thus, suspicion lingered against Mitchell, while Hollis remained completely in the clear.

Wright's evidence is the subject of much debate in intelligence circles even today. Many, including authors such as Philip Knightley and Christopher Andrew, who have considerable knowledge of the workings of the intelligence services, reject the allegations against Hollis as little more than circumstantial evidence, the mistaken conclusions of a slightly senile old man. But not all experts are so dismissive. One need only look back at some of British intelligence's past debacles to realize that MI5 has precious little reputation left to defend, and that the likes of Sir Anthony Blunt might still be advising the queen on which paintings to purchase if Margaret Thatcher had not persuaded Blunt, in exchange for a guarantee of immunity, to reveal his role in the web of treachery spun by Burgess, Philby and Maclean.

THE BRITISH government case, as set out this week before the New South Wales Supreme Court by Cabinet Secretary Sir Robert Armstrong, is that there are five main grounds for the suppression of Wright's book:

• The book breaks the strict secrecy rules imposed on MI5 officers.



• Information contained in the book might be useful to the Russians in pointing out reliable sources, in indicating how much Russian defectors had revealed, etc.

• Hostile agencies and terror groups could learn a great deal about MI5's working methods, equipment and structure. This would help such groups both in planning attacks and in protecting themselves.

• Publication of information would damage the relationship of trust between MI5 and other security services.

• MI5 sources might feel threatened by the book, believing that their information might not remain confidential.

Armstrong has told the court that the very essence of MI5 is that as a secret service, its workings are not revealed, its officers are not identified, its records are not available to the public. These, indeed, are significant considerations, but their weight is lessened by reports that the government rejected Wright's offer to edit the book in respect to British security concerns.

As Wright sees it, the talk of damage to security, trust and confidentiality is so much hot air. The real reason for the government's strenuous objections, 13 years after Hollis's death, is that the British security establishment has mounted a massive cover-up over the extent of Soviet penetration. The implications of that cover-up are that a second generation of Soviet sympathizers is buried deep inside MI5, passing intelligence material back to their KGB paymasters. MI5 has no self-regulating mechanism for keeping its house in order, Wright charges, and while of course it must be a secret service, it has great need of a permanent watchdog committee.

WRIGHT HIMSELF had a go at Hollis in 1970. Five years after his retirement, Hollis was driven from his sleepy Somerset village to an MI5 safe-house, where he was interrogated round the clock for 48 hours. But he never broke, and eventually Wright had no choice but to let him return home.

Wright continued his mole hunt, however, and in the mid-Seventies handed then premier James Callaghan the names of 20 to 30 people known beyond reasonable doubt to have been Soviet agents. Some were dead, some retired, some working in jobs where they could do no harm. But at least some of them, Wright told Callaghan, must have had influence in recruitment, allowing that second generation of Soviet spies to rise and flourish.

Callaghan agreed with him, says Wright, but neither then, nor since, has any investigating body been set up.

Wright would probably agree that widely-available personal memoirs are hardly the perfect context in which to expose the failings of MI5. But his attempts at a more circum-spect approach led nowhere. Having failed to act on Wright's discreet promptings, the British security establishment must now do battle for its secrets in public.

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Battling to win Pentagon contracts

Israeli firms have a foothold in the Pentagon; the trick now is to get big tenders.

By SIMON LOUISON
For The Jerusalem Post

TEL AVIV. — Israeli companies have established a firm beach-head in the massive \$170 billion U.S. defence spending programme and are now poised to launch the second phase of their attack.

The first phase began in March 1979 when the U.S.-Israeli Memorandum of Agreement (MoA) was signed. Essentially, the agreement allowed Israeli companies to compete on an equal basis with American firms for defence contracts.

There were however several important restrictions in the agreement relating to such aspects as American anti-disclosure laws and planning for mobilization requirements.

Despite these restrictions, the Israeli advance has been impressive. In 1983 the U.S. Department of Defence awarded only \$9.4m. in contracts to Israeli firms. In 1985 this grew to \$109.5m., and this year it is expected to reach over \$150m.

With their beach-head now established, Israeli companies are now ready to break out and win a bigger share of Pentagon spending. Fortunately, the U.S. Congress is in a helping mood.

Congress is stepping up pressure

on the Pentagon for more competition for government contracts. Through such actions as the Nunn amendment Congress has called for the government to expand tender offers to include its "major allies and friends" to non-North Atlantic Treaty Organization countries, such as Australia, South Korea, Japan and Israel.

Zvi Reuter, head of Sibet at the Ministry of Defence, told delegates that discussions with the U.S. government on expanding the MoA began in September and negotiations will begin next month.

The talks are expected to lead to Israeli authorities being accepted as



quality-assurance controllers for U.S. defence acquisitions and to the establishment of a system for better information flow about U.S. defence contracts.

Congress is also calling for the establishment of joint cooperative ventures with other countries, said John Ello, assistant deputy under-secretary of defence, with such devices as the Foreign Weapons Evaluation programme. This year, half the programme's \$18m. budget will be used to evaluate Israeli weapons for possible purchase by the U.S.

The advantages of greater co-operation from the Israeli viewpoint are obvious. For the U.S. the benefits are threefold: It can reduce

costs, it may be able to avoid duplicating research and development and it can give the U.S. access to new developments.

Even if the MoA is successfully upgraded, it is still up to individual firms to act to get a piece of the action. Competing successfully, however, can be time-consuming, frustrating and expensive, as Shlomo Nir, Tadiran Ltd.'s North American sales and marketing manager, told conferees.

Tadiran believes the MoA is a good starting point but if a company is not to expend "irrelevant effort" to win defence contracts, then it needs political influence, Nir said.

After winning a \$39m. contract in 1981 to supply VHF radios to the army, U.S. competitors protested and forced Tadiran in a protracted and costly enquiry into how the Israeli company won the tender. And in a second unfortunate experience, Tadiran lost out on a contract to supply batteries to the army because of a minuscule technical difference in the specifications from those it supplied the air force.

However, Nir stressed that such experiences were unlikely to occur today. Both U.S. contractors and Pentagon purchasing officers were not familiar with the MoA. Now that companies such as Tadiran have paved the way, it will be easier for Israeli firms to be placed on bidders' lists or even to influence the purchasing requirements prior to bidding.

Tadiran, for instance, managed to convince army officials to put out a competitive contract for a fire-control sub-system in the M1 tank enhancement programme despite the failure of two major U.S. cor-

porations to produce similar systems.

Both U.S. procurement officers and Israelis experienced in contract tendering stressed that technical ability may be one thing but finding one's way around the labyrinth of the Pentagon's purchasing centres is another. In all 45,000 people in 600 offices have a role in the contracting.

Success, said Col. Wayne Downhour of Contracting Command, Europe, using a military metaphor, depends on choosing the right target and zeroing in on it. The key factor, no matter how good the product, is marketing. Israeli firms tend to be weak in careful market research and in establishing personal contact with purchasing officers.

Downhour also suggested that subcontracting for prime contractors was a promising area neglected by Israeli firms. Prime contractors captured \$54.5b. of the defence budget last year. Another area of contracting which Downhour said will be open to Israeli firms is in the Strategic Defence Initiative programme, commonly known as "Star Wars".

As the opportunities for Israeli firms expand and they move into the second stage, new problems will arise. Originally, the problem was how to get access to the huge market. Now the problem has become how to win bids and reduce costs to become more profitable.

Israeli firms must also address problems of quality control and keep in mind that a bad performance by one Israeli firm tends to harm the whole country's reputation.

It is now up to individual firms to make a comprehensive breakout.

Israel's choosy about potential investors

By KEN SCHACHTER
Special to The Jerusalem Post

TEL AVIV. — An Israeli official dangled a wide array of investment incentives before potential American investors Tuesday at the Israel-America Trade Week conference.

But like a discriminating angler trying to lure some prize fish, the Israeli Investment Authority's Michael Etkin said the goal was much more than just attracting large chunks of capital.

"Money isn't the major concern of Israel in attracting investment," Etkin said. "We're more interested in know-how and marketing. It's not like the 1950s... We want investors to come with technology or marketing (skills)."

For those companies that qualify under the Israel Investment Authority's Approved Enterprise programme, a wide range of incentives are

available: grants, tax credits, accelerated depreciation, low-cost housing, assistance in building infrastructure and access to the capital market.

Through prudent use of the Approved Enterprise statute, Etkin said Israel hopes to bolster exports and reduce unemployment.

"These are the major issues," he said. "We're trying to attract people to the development areas and we feel it justifies certain assistance." He compared the Israeli programme to similar incentive packages in Spain, Ireland and Greece.

While other companies may qualify, Etkin said Israel's primary target is the much-coveted high-technology sector. He added, however, that high technology extends well beyond electronics and that textile, food and metal companies fall into the category.

Another workshop panelist, Gordon H. Wolfe, addressed himself to Israeli companies that enter the U.S. market in search of investors. Wolfe, who works in investor relations in New York, stressed that the companies must come prepared with a strategy.

"The Israeli company must develop a concise outline of a marketing plan," he said. "You don't go around shopping for deals in the U.S. Israeli companies must do no less than American companies must do. There's no privilege here. We talk to investors who aren't members of the Jewish community."

Wolfe, who represents several Israeli companies with shares traded on U.S. exchanges, said Israeli companies must market not just their products in the U.S. but themselves. "It depends on how long the door is open," he said.



Entering the clean room at a National Semiconductor plant in Migdal Ha'emek: Only technological and marketing skills are really welcome.

(Giora Salmi)

THE TAX BURDEN / Jeff Broide

Using and abusing tax losses

The Income Tax Ordinance permits the set-off of losses against other taxable income in calculating the taxpayer's liability, but such losses must originate from a business, trade or profession. In fact, the tax authorities do not regard chance or one-time commercial deals as fulfilling this requirement. A loss arising from such transactions cannot be set off against other income. In addition, the law stipulates that if, instead of the loss there was a profit, which was in fact liable to tax, then the loss may be set off as well. Thus, for instance, loss originating from an overseas business that is not liable to income tax in Israel may not be utilized under the Income Tax Ordinance.

The set-off of the loss is made against taxable income from all sources in the year in which it arises. However, in subsequent years, the set-off may be made only against income from a business, trade or profession. This means

It appears that the disallowance of a legitimate business transaction by the tax authorities could be based only on the fact that its sole purpose was tax-saving.

that where the loss cannot be set off entirely in the tax year in which it arose, the balance of the loss may be carried forward to subsequent years only for set-off against "business income." These losses may not be utilized to reduce taxable income in subsequent years from other sources such as interest, dividends, salary and rental income.

The taxpayer has no option to postpone the set-off — other than insufficient profits for the set-off — and if he does postpone it, he loses the right to the amount of the set-off. It should be noted that tax losses are set off against revenue and capital profits. But the taxpayer may elect to avoid the set-off against the inflationary portion of a capital gain since that amount would be taxable at only 10 per cent of the gain, as opposed to the regular tax rates applicable to the real profit on capital gains.

As of the 1975 tax year, tax losses arising from the rental of buildings may be set off in subsequent years, but only against income from the same source. In the light of this, a businessman who liquidates his business after suffering losses and becomes a salaried worker, may not set off the losses against his future salary income.

In essence, the law entitles the tax authorities to disallow artificial or fictitious acts that reduce or could reduce the tax payable, transfers not actually implemented and transactions where one of the main aims is improper avoidance or reduction of tax.

In the light of various court decisions, the ultimate tests are that an act is fictitious when not actually performed (102/59: Jerusalem Assessing Officer v. Ismar) and artificial where it serves no purpose other

than avoidance of tax (265/67: Mafi Ltd. v. Assessing Officer for Big Enterprises). What exactly constitutes "improper tax avoidance or reduction" is unclear. Since the law has not clarified the meaning of "improper" and it is doubtful whether it has ever been resorted to, it appears that the disallowance of a legitimate transaction by the tax authorities could be based only on the fact that its sole purpose was tax-saving.

In a 1955 High Court decision (279/55: Estate Duty Director v. Boyers) the court held that no person "should have to avoid any transaction proper in itself" since it may adversely affect the interests of the Treasury — the Treasury has no interest other than collection of the taxes due by law and according to the actual facts.

Under Israeli law, assessed losses incurred by a person from a business, trade or profession may be set off against taxable income from all other sources in the year the loss is incurred. If the loss or part of it is carried forward to subsequent years, then it can only be set off against taxable income (including capital gains) earned from a business, trade or profession.

An individual may not sell or transfer his "assessed losses" to someone else. However, they can be used for set-off against profits on takeover by new shareholders, since the company has its own tax identity. But there must be a good business reason for acquisition of the company. This factor was brought home forcibly in the Mafi Ltd. case where the court held that the transaction was artificial, thus not to be accepted by the tax authorities, since it had no purpose other than that of tax-saving. Judge Vitkon held in another case that there must be "some commercial reason" for acquiring a company with tax losses, the test being what business benefit or advantage will accrue to the taxpayer.

Under Israeli law a merger of two companies for the sake of utilizing the assessed loss of one of them is not possible and the loss would be wasted, unless the companies merging fall within the ambit of the Law for the Encouragement of Industry. Where the law does permit utilization of an assessed loss, it is probably advisable to allow the company with losses to absorb the other company.

A substantial part of tax planning involves the proper use of tax losses by individuals, partnerships and corporations. Here, as ever, the dividing line is a tenuous one. In the Aviad Distribution Ltd. case, losses within the group were set off by payments of management fees to certain of the companies, but the assessing officer sought to use the notorious Section 86 of the Income Tax Law, treating these acts as artificial. The judge did not concur, holding that "the legislator sees nothing artificial in the right to offset losses from a business organized in the form of a company" and saw no reason to prevent the group from transferring its income from other sources to that company which also held the losses. The judge did indicate that the business relationships between the different companies must be above board. This should be true of all tax planning.

The writer is a Certified Public Accountant. Questions may be addressed to him at The Jerusalem Post.

AVIATION BRIEFS

Israel calls on KLM to be listed in its brochures

The Transport Ministry's Civil Aviation Board has filed a complaint against the Dutch airline KLM for omitting Israel from the airline's brochures describing its regular destinations.

In a letter, CAB head Shai Shoham urged the head of the Dutch aviation services to exert his influence on KLM to stop discriminating against Israel.

SWISSAIR'S NEW SERVICE, Swissair Parcel Express (Spex) enables Israelis to send in small packages to 60 cities around the world without making any advance arrangements.

The packages, which must be no heavier than 10 kilograms, will leave Israel on the first Swissair flight after its delivery to the airline's offices, and will be delivered immediately after arriving to its destination.

Packages sent on Spex may include anything but valuables, food products, animals and dangerous materials. The service already operates in Europe, North America, South America, Africa, the Far East and the Middle East. In the U.S. alone parcels may be sent to more than 40,000 destinations.

A REPORT FROM TOWER AIR, saying that the airline played a leading role last year in carrying passengers on the Israel-U.S.A. route, is inaccurate, a panel of regularly scheduled airlines says.

According to the panel, El Al flew 47 per cent of all passengers between Ben-Gurion Airport and the U.S. in 1985. TWA flew 8.5 per cent and Tower Air only 3.1 per cent.

El Al spokesman Nahman Kleiman told The Jerusalem Post that Tower Air may have the highest load factor on the Israel-U.S. route, but it operates fewer flights and therefore carries much fewer passengers on this route.

AUSTRIAN AIRLINES passengers will now receive a 72-page restaurant guide, rating establishments from "first class" to popular and ethnic, for every one of the airline's destinations.

New study concludes

Affluent America living on earnings from the past

NEW YORK (AP). — Researchers say Americans have reached an affluence their forefathers could not imagine. But some economists are worried about the long-term cost of America's great leap forward in its standard of living.

A recent report by the Conference Board, a privately-funded international business information service, and the U.S. Census Bureau says the American standard of living has increased at a rate of more than 20 per cent every decade.

"While there are still distressing pockets of poverty in this country, even the most ardent utopian at the turn of the century could not dream of the affluence and quality of life in today's America," said Fabian Lindenberg, the author of the report and the executive director of the Conference Board's consumer research center.

The report, entitled "How We Live Then and Now," found that in the past 35 years the goods and services consumed by the average American have doubled.

However, economists of all persuasions argue that consumption is often at the expense of production and doesn't necessarily mean progress.

The output of the average U.S. worker more than doubled during the first half of the century, and doubled again in the past 35 years.

But economists warn that the statistic can be misleading. They say U.S. productivity growth has lagged recently. Some argue that much of the current U.S. affluence is at the expense of yesterday and tomorrow.

They explain that yesterday's productivity increases made possible the great consumer society, and borrowing from future generations through government debt has helped sustain it.

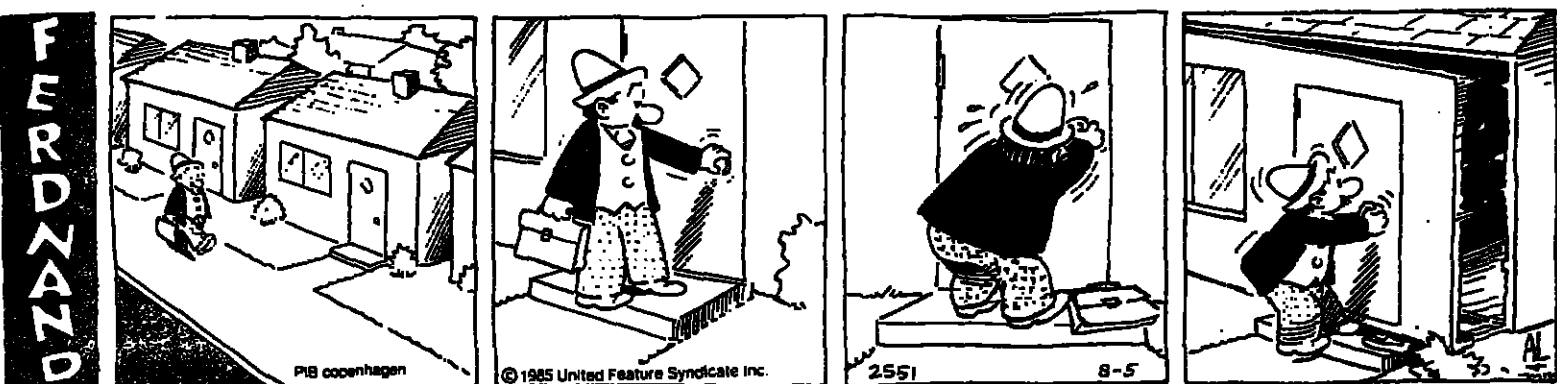
The study, however, predicted technological breakthroughs and more stable prices would soon put U.S. productivity back on its long-term growth path.

The report said that in 1915 it took about 60 cents of a household's dollar just to buy the necessities of life — food, clothing and shelter. Now it costs 45 cents.

The study found 40 per cent of all American households now own two or more automobiles, up from 15 per cent 25 years ago. The telephone is in almost every home; in 1950, two out of every five homes were without a phone.

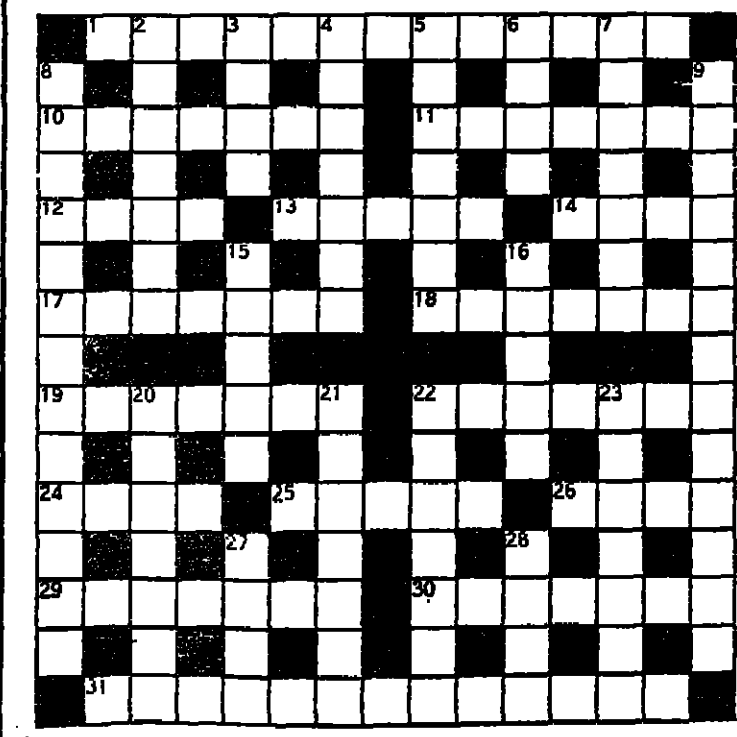
The U.S. consumer spurge is fueled by an abundance of money to lend, courtesy of credit-card issuers, a tax system that makes interest tax-deductible and the Federal Reserve Bank.

Because of the spurge U.S. consumers are deep in debt, as is the government, which has sought to



ONE-ON-ONE CROSSWORD

- | | |
|---|---|
| ACROSS | DOWN |
| 1 He won't look for digs in the new town (13) | 2 It's rough for snake coiled in a circle (7) |
| 10 Retains may be not so good (7) | 3 Greet distantly (4) |
| 11 Convict imprisoned in dreadful little place (7) | 4 A listener's complaint (7) |
| 12 Time for retirement or discharge (4) | 5 Little beast always to be found in bar (7) |
| 13 Record the number (5) | 6 A measure essential for the survival of fish (4) |
| 14 Man at part of the competition (4) | 7 Insult respect in children for such plants (7) |
| 17 A pound contributed is about right in Portugal (7) | 8 Persistent beating failed to effect reform (13) |
| 18 The machine-operator in short read, learned, and inwardly digested (7) | 9 The look of a man defeated by unpleasant elements (7-6) |
| 19 Look at assorted pins etc (7) | 10 A disposition to be instructive (5) |
| 22 Where to take a dip? (4-3) | 11 Some have given a lot, but some are mercenary (5) |
| 24 An article on the French drinks (4) | 12 More backward—well more inflexible anyway (7) |
| 25 A clerk needs transport after six (5) | 13 An old ship with three banks on board (7) |
| 26 Painter occupied by very plump girl (4) | 14 Underwear for the most daring (7) |
| 29 Animals remain outside as ruled (7) | 15 Sickened by excessive slaughter (4-3) |
| 30 Question cut-back by colliery (7) | 16 Short pieces of music (4) |
| 31 Correct oldsters liked to be really smartly turned out (7,2,4) | 17 Many an ancient house-boat is without lights (4) |



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Kupat Holim Clalit, Roma, 523191; Baisam, Salah Eddin, 272315; Shu'afat Road, 810108; Dar Alawa, Herod's Gate, 282058. Tel Aviv: Lev Ha'ir, 69 Ahad Ha'am, 513882; Kupat Holim Clalit, 7 Amsterdam, 225142. Netanya: Kupat Holim Leumi, 5 Smitzky, 38053. Haifa: Hanassi, 33 Sderot Hanassi, 353312. Ra'anana-Kfar Sava: Kinneret, 3 Weizmann, Kfar Sava.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Shaare Zedek (internal, obstetrics), Hadassah Ein Kerem (surgery), orthopedics, ophthalmology, E.N.T.). Tel Aviv: Roka (pediatrics), Ichilov (internal, surgery). Netanya: Laniado.

POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 524444, Kiryat Shmona 4444.

FIRE 102

In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory.

FIRST AID 101

In emergencies dial 101 in most parts of the country. In addition:

Ashdod 41333 Jerusalem 523133
Ashkelon 22333 Kiron 34444
Bat Yam 521111 Kiryat Shmona 44334
Beer Sheva 74757 Netanya 52333
Camel 98855 Dan Region 781111 Petah Tikva 923111
Haifa 51223 Hadera 7255 Rehovot 451333
Holon 807133 Rishon LeZion 942333
Holon 807133 Tiberias 90111
Mobile Intensive Care Unit (MICU) service in the area, around the clock.

"Ezer" — Emotional First Aid, Tel: Jerusalem 227171, Tel Aviv 261112, Haifa 57222. Beer Sheva 418111, Netanya 36318. Rape Crisis Centre (24 hours), for help call Tel Aviv, 234819, Jerusalem — 245554, and Haifa 86781.

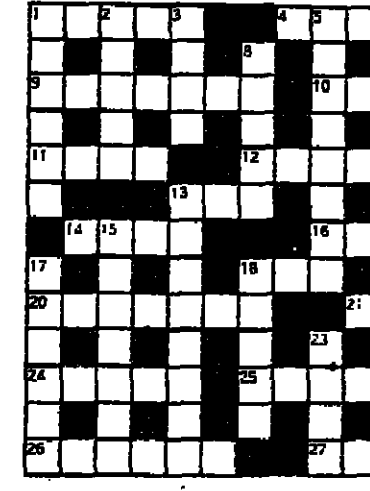
Jerusalem Institute for Drug Problems, Tel. 683828, 663902, 14 Bethlehem Rd. The National Poison Control Centre at Rambam Hospital, phone 04952825, for emergency calls, 24 hours a day, for information in case of poisoning, Kupat Holim Information Centre Tel. 03-633300, 633550 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

FLIGHTS

24-Hour Flight Information Service: Call 03-7712494 (multi-line). Arrivals Only (Taped Message) 03-381111 (20 lines).

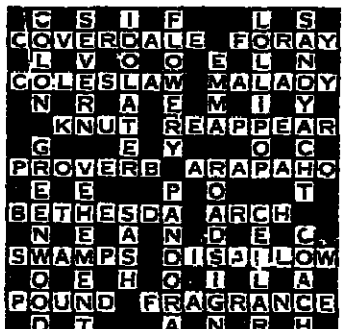
QUICK CROSSWORD

1 Wrench 4 German songs 13 Serious 14 Warmth 15 Tied belt 16 Appropriate 18 Cricketer 21 Tardy 24 Employment 25 Supple 26 Shillyshilly 27 Upright



1 Notecase 2 Provoked 3 Clasp 5 Concern 6 English writer 7 Go round 8 Concur 13 Headlong rush 15 Take out 17 Ridiculous 18 Corner 19 Faint 22 Solitary 23 Small piece of land

Yesterday's Solution



ACROSS: 1 Iritia, 8 Gryll, 8 Petal, 8 Corsair, 19 Routine, 11 Stud, 12 Wit, 14 Cede, 15 Rock, 18 Due, 21 Road, 23 Moutie, 25 Jupiter, 26 Plate, 27 Needy, 28 Assent, DOWN: 1 Impure, 2 Intrude, 3 Ill-timed, 4 Cork, 5 Yeast, 6 Trade, 7 Screw, 13 Triumphs, 16 Cottage, 17 Trojan, 19 Emery, 20 Repeal, 22 Ample, 24 Stay.

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MARKET PLACE

JOHN CONNLIFF

What Boesky teaches

It is unlikely that the Ivan Boesky insider trading scandal has any more basic message for the small Wall Street investor than this: Invest, but don't speculate.

Evidence shows an attempt to outwit the stock market on a daily or weekly basis is to act against near-impossible odds. And sometimes, as events demonstrate, to play against a rigged deck.

It means matching wits with those who are better informed and better financed, against professionals who devote most of their waking moments to trading, and in competition with those who can act in seconds compared with hours.

Professional traders play hard and sometimes dirty. Ivan F. Boesky conceded this in agreeing to pay \$100 million for illegal stock speculation. So did Dennis B. Levine when confronted by the U.S. Securities and Exchange Commission (SEC).

In both instances, inside information of upcoming mergers was used to gain advantage over other investors and traders — an advantage that all but eliminated risk of loss and, instead, almost guaranteed huge profits.

But Wall Streeters say lesser forms of inside information also circulate among traders, providing them with unfair advantages that quickly can affect a stock's price, profiting them and costing others. Until the SEC acted against Levine, Boesky and others, frustration existed in financial circles that much could be done to eliminate such information, since it can originate with so many.

Inside information can come from corporate officers, directors, employees, printers, lawyers, secretaries and any others who come into contact with it by design or deceit.

Sudden, marked changes in stock prices quickly alert market and regulatory officials to the likelihood that inside information is being used. But it is another matter to trace the trading pattern back to the source.

Intelligent insiders know it is foolish to trade for their own accounts since market surveillances might identify them. But the information they possess can be disseminated to less likely traders, thus making the culpable.

Insider trading is illegal. But legal activities also tend to put the part-time, amateur trader at a disadvantage to those who make a living from the marketplace. Inside information is taboo; superior information is prized.

There are gray areas, however. When, for example, a sharp brokerage house analyst interviews management, shrewdly penetrates its defenses and obtains what amounts to a near-insider's view of changes to come.

Or when information in stock market letters is made available immediately to some, but by mail to others. Or when institutional traders, through analysis of trading patterns, obtain a reading of a competitor fund's trading plans.

In its purest form, superior information — as opposed to inside information — is when research, analysis and good judgment is applied to data that, in theory at least, is available to the public on an equal basis.

It is an ingredient of successful trading seldom possessed by the small-time, part-time investor. (AP)

AQUINO

(Continued from Page One)

After sunset, an explosion ripped through a busy Manila department store, injuring more than 30 people, none of them seriously. A half-hour earlier an unknown assailant hurled a grenade into the balcony of a nearby movie house, but the device did not explode.

Police said Puzon was travelling to one of his businesses when his car was ambushed at about 7:30 a.m. in San Jose del Monte.

Lt. Col. Leandro Mendoza, chief of police in Bulacan province, said six to 10 gunmen dressed as "housewives" jumped from a "jeepney," a small bus unique to the Philippines, sprayed automatic fire at the car and fled.

Police said Puzon's driver, Romeo Reyes, and the manager of his factory, Manuel Veloria, also died in the ambush, while his daughter-in-law, Eva Puzon, was seriously wounded.

Puzon and Enrile, both natives of the Cagayan area of northern Luzon, had been associates for many years. Puzon was elected vice-governor of Cagayan in 1957 and later served in various national assemblies until Aquino dissolved the legislature this year.

A spokesman for Enrile said the Defense Minister and Puzon were "political allies up to the end."

One of Puzon's daughters, who asked not to be named, said her father was trying to stay neutral in current political wrangling between Enrile and President Aquino.

Enrile's criticism of presidential policy helped fuel rumours of a military coup, although the defence chief has denied planning any takeover. (AP, Reuters, AFP)

Treasury officials vow

Beit Shemesh will get receiver

By AVI TEMKIN

The Treasury is determined to go ahead with its plans to appoint a receiver for Beit Shemesh Engines and ultimately to shut down the plant, senior ministry officials said yesterday. A decision had been made to offer potential entrepreneurs improved benefits, if they decided to establish factories in Beit Shemesh and offer jobs to those workers now working for the engines plant.

The Treasury's plan, however, was sharply criticized in the Knesset by Histadrut Secretary-General MK Yisrael Kessar.

Treasury officials said there was no way of solving the problems of Beit Shemesh Engines. They said forecasted annual losses total \$24 million, and that even a recovery plan, that would have 200 workers dismissed would not turn it into a profitable operation.

The officials stressed that in the past two years there had been three recovery plans, none of which succeeded. In the most recent, Beit Shemesh's management cut the work-force from 1,300 to 700 workers, but spent in severance payments some \$12m., instead of \$3.5m. approved by the Ministerial Economic Committee.

The decision on whether or not to appoint a receiver for Beit Shemesh Engines will only be taken on Sunday, after the cabinet has heard an appeal against the Ministerial Economic Committee's decision to put the plant into receivership, acting defence minister Shimon Peres told the Knesset yesterday.

Speaking in reply to nine motions

The Treasury officials noted that nobody at the cabinet or the ministry had authorized Beit Shemesh's management to pay such sums. In addition, they said, the recovery plans were based on investments by Pratt and Whitney, the American engines manufacturer and subsidiary of United Technologies Corp. "Such investments turned out to be nothing more than a loan which solved nothing," one Treasury official said.

The officials said the cheapest alternative open for the Treasury was to close down the plant. Such an alternative would cost \$80m. less than leaving it open, they said.

The officials stressed that investors willing to open alternative factories in Beit Shemesh will be offered a grant of 37 per cent on their investment, instead of 22 per cent generally granted under the terms of the Investment Encouraging Law.

The decision on whether or not to appoint a receiver for Beit Shemesh Engines will only be taken on Sunday, after the cabinet has heard an appeal against the Ministerial Economic Committee's decision to put the plant into receivership, acting defence minister Shimon Peres told the Knesset yesterday.

Speaking in reply to nine motions

for the agenda on the subject, Peres said he felt sure that the cabinet would be mindful of the deep concern expressed in the debate, but scored MKs' failure to address themselves to the monetary problems posed by keeping the plant open.

Histadrut Secretary-General MK Yisrael Kessar attacked the government for not standing by its undertaking to restructure the company's debts.

The Histadrut, he told critics who attacked the labour federation's refusal to acquire the company, would not and could not become the government's receiver, the body answerable for all government failures.

Kessar asked what right Finance Minister Moshe Nissim had to assure the plant's staff that work would be found for them. The promise was baseless, it meant finding work for one third of Beit Shemesh's labour force, which would be impossible.

Both Kessar and the leader of the Likud faction in the Knesset, MK Ya'acov Shamai, scored the appointment of a receiver as a death warrant for the plant. No investor would take it on after that move, they said.

The Knesset is to resume discussion after hearing the government's decision next week.



U.S. Consul-General Morris Draper plays cashier and industry Minister Ariel Sharon customer at the Supersol market on Jerusalem's Agra Street yesterday. The two were there to mark American food month at Supersol and Hypercol stores, which will be selling a variety of brand-name American products. (Brian Hendler)

Ecuador signs economic pact with Israel

Jerusalem Post Staff
Israel and Ecuador signed an economic cooperation accord yesterday which is designed to help the Latin American country produce exports goods with Israeli assistance.

Ecuadoran Foreign Minister Edgar Teran Teran, who is in Israel on an official visit said: "There are many possibilities but the basic idea for these joint export projects could be the production of clothes, for example, which we would produce with Israeli technology and then export to the U.S."

Israel is currently helping Ecuador to grow flowers for export, Teran said.

Teran, who leaves on Friday, said he invited Foreign Minister Shimon Peres, to visit Ecuador. Tuesday in a meeting with Industry Minister Ariel Sharon, the two agreed an Israeli delegation would visit Ecuador in January.

WORLD BUSINESS IN BRIEF

U.S. revises 3rd quarter GNP upward

WASHINGTON (Reuters). — The U.S. Government said yesterday that the economy grew faster than previously thought, expanding by 2.9 per cent in the July-September quarter. But the gain was due mostly to defence spending, which analysts said would not continue.

At the same time, homebuilding slowed unexpectedly last month and cast further doubt on the economy's ability to grow in coming months.

The Commerce Department revised gross national product to show a rise of 2.9 per cent after inflation, instead of 2.4 per cent estimated last month. The department also said housing starts fell 0.2 per cent to an annual rate of 1.65 million units, the lowest level since February 1985. September starts fell 8 per cent.

LONDON SHARE PRICES closed sharply lower yesterday, after a relatively quiet session and a mid-morning rally attempt. The market eased in response to the 43-point fall on Wall Street Tuesday and weaker sterling, dealers said.

The Financial Times 100 share index dipped below the 1600 level and was down 19.2 points to 1598.3 at closing. The losses followed a lower opening on Wall Street.

In New York, the Dow Jones Industrial Average ended finally higher yesterday, following a 43-point slide Tuesday blamed on the insider-trading scandal surrounding corporate takeover magnate Ivan Boesky.

The Dow Jones Average of leading industrial shares was up 9.42 points at 1826.63 in late afternoon trading.

KUWAIT IS ADJUSTING its long-term oil contracts, enabling it to adopt official prices quickly if Opec returns to a fixed-price system, a source at the state Kuwait Petroleum Corp. said yesterday.

It now uses the "netback" system under which prices are calculated on the basis of oil product prices on the spot market.

Many members of the Organization of Petroleum Exporting Countries want it to move speedily to fixed prices and to set them around \$18 a barrel, \$2 to \$4 higher than at present. An Opec ministerial pricing committee recommended this last Friday, and a group of Opec experts are due to start meeting in Vienna today to consider how to implement the proposal.

BUSINESS BRIEFS

Keter planning to issue 2.1m. shares to public

Keter Publishing House Ltd. is making plans to offer 2.1 million shares with a face value of NIS 1 a piece to the public at an offering price of NIS 2.15, the company told the Tel Aviv Stock Exchange last week.

The Jerusalem-based book publisher said that Clal Ltd., which has complete control of Keter at the moment, would wind up with a 75 per cent stake after the shares offering.

The issue should raise a total of \$4.1 million for Keter, the publisher said, of which \$1.2m. would be used for funding the publication of an encyclopedia, another \$1.7m. for marketing and other operations, and another \$1.2m. for working capital.

TNUVA PLANS TO CUT STAFF at its plants in Haifa and Nahariya. In Haifa the company intends to lay off just over 100 workers, most of them aged 60 and over, with early retirement pensions. In Nahariya, where Tnuva faces stiff competition from the Strauss dairies, two-thirds of the 23 employees will be let go.

Tnuva said the move was necessitated by falling sales. It added that the dismissals would be discussed with the Haifa Labour Council.

LUZ INTERNATIONAL LTD., the U.S. parent of Jerusalem-based Luz Industries Ltd., won a U.S. Department of Energy award last week for energy innovation at its California solar electric-generation system in southern California.

At a ceremony in Washington, Luz representatives received the award from Energy Secretary John H. Herrington and Assistant Secretary for Conservation and Renewable Energy Donna Fitzpatrick.

Luz, which operates the system in cooperation with Southern California Edison, recently signed an agreement with the utility for 12 more power-purchase contracts, bringing the total number of plants Luz will operate to 19 by 1992.

THE BRITISH ASSOCIATION of Independent Tour Operators (Aito) will hold its annual overseas workshop in Israel.

Some 100 Aito members are expected to take part in the workshop, from November 27 to December 1, as guests of the Israel Government Tourist Office and El Al.

CORRECTION

In yesterday's story concerning the joint Israel-U.S. committee evaluating the Free Trade Area agreement, Clarence Brown was identified incorrectly. He is deputy secretary of commerce.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	122.84+0.04%
Non-Bank Index	165.08+0.33%
Arrangement	105.20-0.13%
Insurance	184.87+1.28%
Commerce, Services	205.80-0.18%
Real Estate	208.66+0.02%
Industrials	147.62+0.20%
Textiles	211.40+0.48%
Metals	166.56+1.01%
Electronics	108.42-0.12%
Chemicals	137.60-0.02%
Industrial Invest.	138.56+0.02%
Investment Cos.	163.37+1.11%
General Bond Index	113.76-0.02%
Index-linked Bonds	115.60-0.03%
Fully-linked	117.34-0.01%
Partially-linked	114.65-0.04%
Dollar-linked Bonds	93.85-0.01%
Short-term 0-2 yrs	111.88+0.03%
Medium-term 2-5 yrs	113.07-0.17%
Long-term 5+ yrs	107.25+0.12%

Turnovers:

Shares - total	NIS 10,874,300
Arrangement	NIS 1,054,000
Non-bank	NIS 9,820,300
Bonds - total	NIS 3,750,900
Index-linked	NIS 2,035,600
Dollar-linked	NIS 1,715,500
Treasury Bills	NIS 4,166,400

4.25% fully-linked
80% linked
Double-linked
Dollar-linked:
Admon
Rimon
Gilead
Fertilizers
Tel. Corp.
denominated
Treasury Bills
(annual yield)
19.90-21.50%

Share Movements:

Advances	147 (132)
Declines	22 (17)
Unchanged	143 (137)
Declines of 5% or more	11 (18)
Advances of 5% or more	0 (1)
Unchanged	93 (123)
Trading Halt	37 (28)

Bond Market Trends:

Index-linked:	Stable
3% fully-linked:	Stable

SELECTED PRICE QUOTATIONS

Name Price Volume % CHG/DNS change

Commercial Banks

Martime	1165	1632	+0.1
General non-arr.	22700	193	+3.6
First Int'l	3470	181	-
PIB	4290	565	-1.6

Commercial Banks (part of "arrangement")

IDB	80180	213	-0.1
Union 0.1	52457	111	-0.1
Discount	102520	77	-0.1
Mizrahi	32500	338	+0.1
Hapoalim	54480	484	-0.1
General A	138750	4	-0.3
Leumi 0.1	34638	818	-0.2
Fin. Trade	47800	-	-

Mortgage Banks

Leumi Mort.	7380	750	+1.0
Dev. Mort.	2400	820	-0.0
Mishkan	2500	531	-0.0
Telshor	18290	214	-
Merav	6180	150	-

Financial Institutions

Agrie C	no trading	-	-
Ind. Dev. DD	no trading	-	-
Clal Leasing 0.1	18650	37	-

Insurance

Asarot 0.1	1400	1888	+3.7
Hanashim	332	84881	+3.0
Phoenix 0.1	700	20240	-
Hanishmar	6630	34	-
Menorah 1	2150	-	-
Sahar	5860	256	+1.0
Zion Hold. 1	8480	23	-1.2

Trade & Services

Meir Ezer	8620	528	+0.0
Supersol 2	8800	298	-0.1
Delek	3354	4288	+0.9
Lightstar	14800	23	-
Cold Storage	1999	838	-4.8
Dan Hotels	1790	406	-0.6
Yarden Hotel	2880	100	-0.7
Hilton 1	30950	37	+5.9
Team 1	1890	3270	-5.0

Real Estate, Building and Agriculture

Azorim	849	7548	-1.4
Elion	701	38010	+6.8
Africa Int. 0.1	37740	138	-0.8
Dankner	4910	78	+0.1
Prop. & Bldg.	3145	1284	+0.5
Bayada 0.1	4600	100	+2.7
ILDC	58850	120	-0.5
Reaco	no trading	-	-
Mehadrin	5310	333	-1.7
Hadarim	1315	1188	-

Industrials

Dubek b	3849	720	-
Pr-Ze 1	no trading	-	-
Sunflow	11800	83	-
Elite	16800	260	+0.1
Adger	560	3445	+1.8
Argaman	no trading	-	-
Dafra G 1	3330	4201	+2.1
Maquette 1	4820	1324	+0.1
Eagle 1	14150	63	+2.5
Polgar	3675	550	-
Schoeller	14130	30	-0.1
Rogovin	338	731	-
Urdan 0.1	5828	560	+3.0
La. Can Co. 1	2560	1425	-2.1
Zion Cables	2355	519	+0.6
Pecker Steel	13020	213	+4.0
Elbit	416000	47	-1.0

Elron

Elron	342000	27	-
Art	30700	117	+2.3
Clal Electronics	2100	3856	-
Spectronix 1	1800	1512	+0.3
T.A.T.	3700	200	-
Adstein 1	848	2638	-0.2
Agan 5	17150	51	-0.9
Alliance	2550	1038	-8.9
Dexter	3420	218	-0.8
Fertilizers	5040	100	+5.0
Haifa Chem.	398	10491	-
Teva	8640	1831	-1.2
Dead Sea	4680	3281	-0.1
Petrochem	544	18818	-
Naca Chem.	7150	541	-
Frustrum	15300	41	+0.7
Hadera Paper	267500	79	+0.6
General Trade	8200	31	+1.5
Koor p.	705000	0	-1.0
Clal Inds.	1448	11851	-

Investment Companies

IDB Dev. r	4880	2013	+2.9
Clal 1	3360	1123	-1.8
ARK 1	204	2158	-5.1
Gafelot	1376	360	-1.2
Israel Corp. 1	10035	1232	+0.8
Wolfson 1	117000	5	+1.2
Hapoalim Inv.	6515	2827	+5.8
Leumi Invest.	no trading	-	-
Discount Invest.	2808	8321	-
Mizrahi Invest.	15704	138	-7.0
Clal 10	519	11151	-
Landeco 0.1	5000	15	-5.7
Perna 0.1	9388	44	-

Oil Exploration

Paz Oil Expl.	17500	91	-3.0
J.O.E.L.	3550	1314	+2.9

Abbreviations:

a.c. sellers only	b buyer
b.o. buyers only	r registered

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In Teddy's place

A RECONCILIATION meeting was held yesterday between Jews and Arabs residing in the Jerusalem Old City area where a local yeshiva student was killed by three terrorists from Jenin last Shabbat. It did not finally bridge the gulf separating the two communities in Jerusalem, nor even in the Moslem Quarter. The Jewish hooligans who had been terrorizing Arabs in response to the killing tried to disrupt the meeting, too. But they failed.

That the attempt at reconciliation was attempted at all was above all a tribute to the good sense of a large number of Jews and Arabs in the city. But in no small measure it was also due to the tireless effort invested over the years, and not least this week, by Mayor Teddy Kollek in keeping Israel's capital united despite what often seem to be overwhelming odds.

No man is indispensable, not even Teddy; at least not in the long run. One day he will retire. Indeed, the biggest legitimate complaint against him may be that he has not taken sufficient interest in grooming a successor.

But it is not too hard to visualize what Jerusalem would be today without him, or what it would be with Herut's one-time mayoral candidate, Knesset deputy Yehoshua Matza, in Teddy's place.

Mr. Matza's recipe for holding Jerusalem together was laid out before the Knesset on Tuesday during a debate on a number of motions for the agenda dealing with the Shabbat murder and the riots that followed it. The would-be mayor's recipe consisted in striking fear into the hearts of the barbarous Arabs. Trouble is, observed Mr. Matza, sadly, that Arabs no longer fear Jewish anger.

The man who clobbered Mr. Matza at the polls has never been a "softie" when it came to maintaining public order in the city. He has not spared Jerusalem's Arabs a tongue lashing when the occasion called for it. But his motto has been mutual tolerance, between Jew and Arab as between one kind of Jew and another. And he has been operating on the premise that group libel — and group punishment — is a trigger for either chaos or totalitarian brutality.

Lately political foes of Mayor Kollek who failed to defeat him in a straight electoral fight have been trying their luck by attacking him from the flank.

Their immediate target was the "Teddy Fund," which is raised by the mayor privately from friends abroad and used at his discretion to advance worthy causes outside the framework of the regular municipal budget. Allegations of wrongdoing in the administration of the fund were probed by the police, and the file was turned over to Attorney-General Yosef Harish. Mr. Harish, while noting that the fund did lend itself to possible abuse, made it plain that he had discovered nothing in the file to substantiate suspicions of wrongdoing in the fund's administration.

The police closed their file, and the mayor heaved an audible sigh of relief. He could go on with his work.

Not for long, however, as it turned out. The outpouring of printed rumours linking him to the just-opened police investigation of the Jerusalem District Commissioner, Rafi Levy, prompted Teddy only last week to seriously consider resignation. Baseless rumour-mongering, which blackened his name both at home and abroad, he explained, made it next to impossible for him to discharge his duties. Under pressure from friends, and even more so from the week's events, he backed-tracked.

This was just as well. In the short term, certainly, there is no visible replacement for Teddy Kollek.

This is not to suggest that Mayor Kollek should be considered uniformly above criticism. It may be conceded that, in the effort to get things done, he has on occasion treated established procedures with less respect than they deserve.

But throwing bricks at Teddy Kollek either for political advantage or for the sheer fun of it is a vicious and cowardly occupation.

VIOLENCE

(Continued from Page One)

Most of the Jews attending the meeting were students at the Ateret Cohanim yeshiva. They had proposed holding the meeting when they talked to Jerusalem Mayor Teddy Kollek the day before. No one from Shuvu Banim attended the reconciliation meeting.

The Jerusalem Municipality's adviser on Arab affairs, Amir Cheshin, who helped arrange the meeting, said he hoped it would be "a catalyst for improving Jewish-Arab relations in the area."

As the participants emerged from the meeting, two Orthodox Jews identified by police as affiliated with Shuvu Banim began shouting at them.

"No peace, no forgiveness, no atonement," shouted Yuni Heller.

"There are murderers here looking for Jewish blood. There will be no peace until the Arabs get the hell out of here."

Heller and his cohort, Danny Horowitz, were pushed away by police and Jewish participants in the meeting, as Arab women gathered at the scene, flashed V-signs and began shouting "Palestine, Palestine," and "Allahu Akbar."

Jewish residents of the Moslem Quarter met yesterday with the director-general of the Prime Minister's Office, Yossi Ben-Aharon, and demanded improved security measures in the Old City.

Their demands included opening police and first aid stations in the Moslem quarter, closing the Old City gates after an attack, and banning the sale of switchblades and daggers in East Jerusalem.

SHULTZ

(Continued from Page One)

of arms to Iran was incompatible with American efforts to marshal a worldwide campaign against state-supported terrorism; could encourage further hostage-taking; would run counter to efforts to end the Iran-Iraq war; and could not be carried out for very long without becoming public.

But when Reagan decided to proceed anyway, running the operation from the White House, Shultz kept his deep disappointment to himself, not briefing senior State Department officials on the operation. "Nor was he kept informed on the details of the arms shipments," Beecher wrote.

But Beecher quoted one of Shultz's associates as now believing that the secretary would remain on the job. "He now seems at peace," the associate said. "He's very troubled by the substance of this operation and by the tendency of the administration for a long time not to come clean. But he feels there's important work to do, and he's reluctant to leave."

The Washington Post yesterday reported that the secret administration overtures and arms shipments to Iran "are part of a seven-year-long pattern of covert CIA operations — some dating back to the Carter admini-

stration — that were designed both to curry favour with the regime of Ayatollah Ruhollah Khomeini and support Iranian exiles who seek to overthrow it."

Quoting informed sources, the newspaper said the CIA in 1983 participated in a secret operation to provide a list of Soviet KGB agents and collaborators operating in Iran to the Khomeini regime, which then executed up to 200 suspects and closed down the communist Tudeh party in Iran.

National Security Adviser John Poindexter, who was personally in charge of the effort to establish contacts with "more moderate" elements in Iran in recent months, strongly defended that policy in an interview published yesterday in the newspaper USA Today.

Asked whether he was sorry about the whole thing, Poindexter replied: "Not at all. I think we've made some very significant progress. We've gotten three hostages out. We have the Iranian ambassador to the United Nations making statements that in relative terms are much more positive than Iranian officials have said about the United States in a long time, and even one of the Iranian newspapers is talking about a relationship with the United States."

Reason to lean towards the devil in Teheran

Yosef Goell

IT IS A TRUISM, that nonetheless bears repetition, that political leadership at the highest level often requires making choices not between good and bad policies but between bad and worse. In addition to which, the risks entailed in making such choices is often very high because the information on which a reasoned decision can be based, is so flimsy. And yet the choice has to be made.

Israel's recent involvement in the supply of arms to Iran by the U.S., in the hope of winning the release of the American hostages held by Shi'ite extremists in Lebanon, is a case in point. There can be no doubt that in abetting President Reagan's policy of an arms-for-hostages deal with Iran, Israel was seriously weakening the, as yet, all-too-shaky Western resolve to fight international terrorism. And yet, the Israeli decision was a correct one.

The first point to be made, is that for all the real importance of the fight against terrorism, neither PLO terrorism, nor its Syrian nor Lebanese Shi'ite variants have ever been a threat to Israel. They are no threat to the U.S., Britain, France nor any other country, except, possibly to that ex-country, Lebanon. The terrorists would love to constitute such a threat, but they have simply never been able to pull it off.

Terrorism constitutes a mortal danger to individuals, not to states. If I happen to find myself in the wrong place at the wrong time, in relation to a PLO bomb or knife, I've had it — personally, that is. But not Israel. To be sure, any government worth its salt must do all in its power to protect its individual citizens against such depredations. But it cannot, and should not, pay any price in order to do so. No state,

for example, pays any price for the protection of its individual citizens against domestic crime, whose depredations are far worse.

THE REAL THREAT to Israel comes from the large and heavily-armed forces of the Arab states. Israel is threatened by Syria, certainly; by Egypt, possibly, if and when a revolution brings on a change in regime which would repudiate the peace treaty with Israel and the demilitarization of Sinai. Israel is primarily threatened from a potential re-crystallization of an Eastern front, which would include Syria, Iraq, with its gigantic, battle-tested army, and possibly even Jordan, with Saudi Arabia providing back-up.

Just how imminent is this latter nightmare? Certainly not as long as the Iran-Iraq war continues. Both Iraq and Iran have been the losers in that war, with the number of casualties reportedly numbering well over one million, and with the economic damage to both populations running into scores of billions of dollars.

Embarrassing as it may be to report, Israel has been the major beneficiary of that war, for it has served to divert the attention of a petrified *mushraq* — the Eastern Arab world — from its hostility to Israel. In the eyes of Saudi Arabia, Kuwait, Bahrain and the Gulf Emirates, Israel has suddenly become a rather innocuous imp compared to the Iranian devil and the very real threat of its expansion into their own territories.

Sooner or later, that war too, will come to an end. Israeli political

leaders and defence planners must decide now on the policy initiatives that could lessen the likelihood of the great armies in the East being unleashed against Israel, when the war does end.

Should such Israeli probes be directed to Iraq or Iran? No one can give a conclusive answer on the basis of the information available. There is no avoiding the guesswork and risks in making that choice. Iraq has been an implacable enemy of Israel for 39 years. It has voluntarily dispatched its forces to join the other Arab armies fighting against Israel in three wars, despite the fact that Iraq has no common border with Israel. The last time Iraqi forces fought against Israel on the Golan Heights in 1973, Iraq was already a mortal enemy of the Assad regime in Syria. However, that didn't prevent Baghdad from sending its tanks to fight alongside those of Syria against Israel.

Iraq's Saddam Hussein is positively mute, however, in comparison with the vitriolic anti-Israel tirades of the Ayatollah Khomeini. And the Ayatollah has put his money where his mouth is in goading the fundamentalist Shi'ites of the Bekaa and southern Lebanon against Israel. It looks like the proverbial choice between the devil and the deep blue sea.

FORMER CABINET secretary Arye Naor argued in these columns last Friday against getting involved in any way with the Iranians. I would nevertheless propose taking the Iranian gamble.

There is clearly no chance of changing Khomeini. But Khomeini is not Iran; or at least, he will not be Iran for ever. (I made this comment

READERS' LETTERS

PURCHASING A CAR

To the Editor of The Jerusalem Post Sir, — I would like to commend David Krivine for his marvellous article of October 29 about purchasing an automobile.

As recent immigrants from the United States, we decided to purchase a car this past summer. We began to "shop around." We were met with curtness, rudeness and at one dealership outright lies. On three consecutive days, my husband and a friend went to inquire about prices of a specific car with specific options, and on each day we received vastly different quotes, with differences of up to NIS 1,000 and varying answers on whether such a 1986 model was still available.

We finally decided to buy a Subaru 1600 DL-5 speed wagon. We gave the decision to Krivine described. Then they informed us that the car had arrived and we paid the balance plus additional sums for air-conditioning and registration. As new olim, we had to give them our *teudat oleh*, both of our U.S. passports and our drivers' licences. We gave them these documents on September 5. When we kept calling to inquire when our car would be arriving, we were told it had not cleared customs yet. Finally on October 6 (a month later), our documents were returned but no car.

What concerned me greatly was that our *teudat oleh* had been stamped by customs on September 23. What had happened in the ensuing two weeks? When we questioned the dealer, no satisfactory answer was given.

While they were holding our papers, they called us to tell us that there were no 1986 models left in the basic colours as we had ordered, and if we wanted a 1986 car, we would have to pay an additional NIS 200 and get a metallic colour.

Still we did not have our car. Finally on October 14, when I threatened to contact the newspapers and the Ministry of Transport my car miraculously arrived. It took another two days for it to be released to us, as the air conditioning had to be installed. The car arrived filthy and, as Krivine wrote, with barely enough gas to drive to the nearest gas station.

I might be a "spoiled American," but I do believe that Israelis can and must demand better service and perhaps some fair competition among car dealerships.

ELYSE GELFAND
Mevaseret Zion.

SPINOZA SOCIETY

To the Editor of The Jerusalem Post Sir, — I have long been a supporter of the State of Israel and have visited the country with pleasure every few years. I also follow with interest and sometimes concern, the progress of Israeli politics and society.

One of my personal interests is in the life and philosophy of Baruch Spinoza, a great Jewish thinker. In my opinion, the ethical and humanistic aspects of Spinoza's work are both interesting in themselves and of special significance in the light of some of the internal Israeli ideological disputes.

As I believe in this idea very deeply, it would give me much satisfaction if I could contribute something to furthering the knowledge of Spinoza among the Israeli public. I believe that one way to do this would be if a group of people interested in Spinoza could form an Israeli Spinoza Society. There are already such societies in France and Holland, thus why not in Israel?

Could I ask any interested party to contact me at 10 Fair Lane, Roberts Bridge, Sussex. If there is a genuine response, I would like to do what I can in a modest way, to help finance this project.

MICHAEL FINKEL
Roberts Bridge, England.

PRICE OF COLONIALISM

To the Editor of The Jerusalem Post Sir, — We Israelis have absolutely no obligation to apologize for the rapid and complete conquest of all the territory of former Palestine west of the Jordan, the Golan Heights and all of Sinai. This brilliant achievement of the Israeli army in June 1967 was not the result of an Israeli political initiative to suddenly abolish the armistice lines of 1949, but the result of a necessary counter-attack to Nasser's massive provocation and the full support given to Egypt by Syria, Jordan and most of the other Arab countries.

I must admit that, at the time, a few weeks after the Six Day War, I could not accept the anxious warnings of Professor Yeshayahu Leibowitz about the existential dangers of a prolonged occupation to Israel's own national and social infrastructure. Since then, almost 20 years ago, all of those early warnings have proved to be more than justified.

There are a multitude of social, political and moral ills that are undermining the basic foundations of our society as a natural colonialist phenomenon of our present colonial status, but I will only mention a few of them.

First, there is Gush Emunim and its fellow travellers: by their mentality and behaviour towards the majority of Arabs in the territories and also towards Jewish Israelis with different opinions, they are distorting the reasonable, progressive and humanistic character of modern Judaism and turning it into a Khomeini-like fanatical and aggressive cult, which will never be

accepted by the large majority of Jews in Israel and in the Diaspora alike. If they should finally succeed, by political pressure and interference, to exempt all the convicted members of the Jewish underground from fully serving their legal sentences, the last vestiges of equality before the law will have been discarded. Certainly, the Commandment, "Thou shalt not kill," was not limited in its biblical meaning to the murder of Jews.

Secondly, although the trial involving the acquisition of Arab-owned land in the territories is still in its early stages, it is already clear that what in classical Zionist phraseology is termed "liberation of land," was at least in part carried out by methods not very different from those of the Mafia.

Finally, but not least important, at least those of us who do not restrict ourselves to the mere enjoyment of personal material benefits, should recognize the deplorable fact that Jewish society resembles nowadays more the South African model than the society our founding fathers aspired to.

All these lapses and many others cannot be corrected in the present growing relationship of conquerors to conquered. Neither can democracy prevail for long on one side of the former Green Line as long as it is substantially distorted on the other side. Therefore, the earliest possible abandonment of this regime of occupation has become absolutely essential to Israeli existential self-interest. YEHUDA BEN-MOSHE
Jerusalem.

REAGAN'S IMAGE

To the Editor of The Jerusalem Post Sir, — Ephraim Lahav, in his letter of November 10, says that "Reagan is the best President the U.S. has had since World War II" (from a broader global angle).

There are some Americans who go on about Reagan like Mr. Lahav did. And I suppose there are Israelis and certainly Europeans who feel that all Americans go on about Reagan as if he is the "saviour of the

free world."

The truth is, however, that most Americans do not cry red, white and blue tears every time Reagan gives one of his "historic" speeches. In fact, when Reagan comes on TV for a "fireside chat," many Americans change the channel or catch forty winks.

SCOTT OPPENHEIM
(An American)
Afikim.

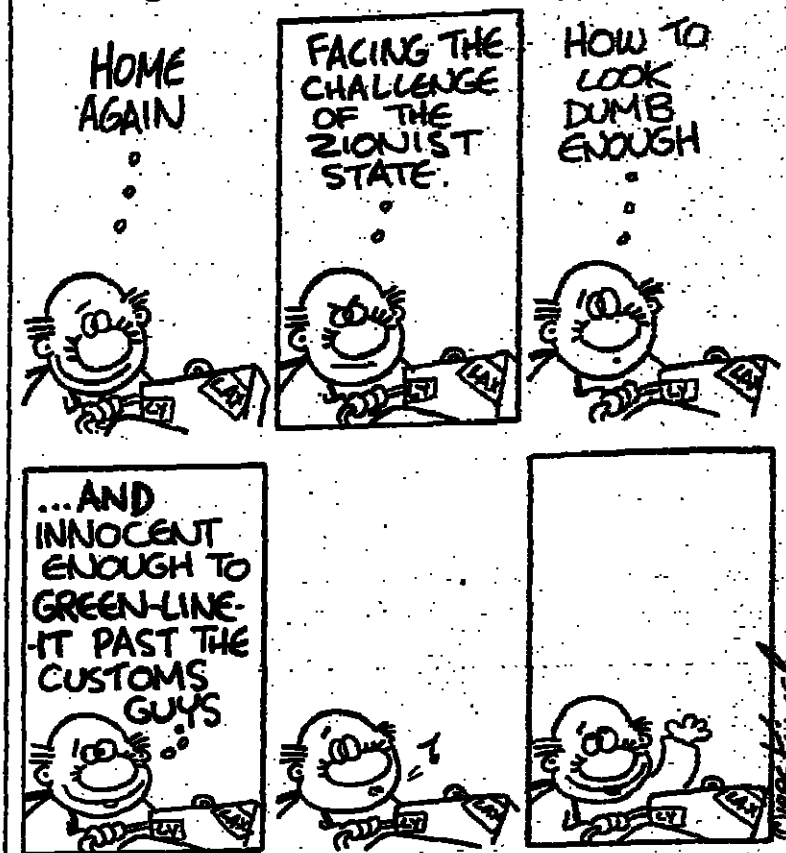
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Dry Bones



at a conference on the Middle East earlier this year at the University of Utah, noting that Khomeini was already 85, and an Iranian emigre defected informed me that Khomeini's father had died at the age of 105.)

Even so, there is clearly a more pragmatic, less fundamentalistic group contending for the post-Khomeini leadership in Teheran, associated with the speaker of parliament Ali Akbar Rafsanjani. No one can be sure what that group stands for, or whether it will win out in the succession struggle. Nor can anyone guarantee that a Rafsanjani regime would restore Iran's previous close ties with Israel, or even reduce Shi'ite pressure against us in Lebanon.

However, the basic geo-political interests which originally dictated an Iranian-Israeli link were far from being merely a whim of the Shah's. These common interests will remain valid when the present religious fervour on which the Khomeini regime is based, has run its course and begun to wane.

Israel's efforts to find a route to a post-war, post-Khomeini Iran is admittedly risky; and possibly even chimerical. But it is a risk well worth taking. All the more so, when in the present case, it also enables Israel to assist its ally, the U.S., in trying to free its hostages. We owe the U.S. and the Reagan administration that much, at least.

The writer is a member of The Jerusalem Post editorial staff.

Dangerous double standard for Jews

David Rosen

"THE WORLD has one standard for everyone else and another one for Jews" is our frequent and often justified complaint. What would we prefer to see? Equal treatment, of course, by which every group and individual is judged fairly, without regard to race, religion or sex.

What would we say then, if there were demands not to extradite a former member of a criminal underworld to his country of origin to face murder charges simply because it was a Jew that he was accused of murdering, and for fear that he may be set upon by other Jews in jail?

And what would we say to demands to free members of a terrorist ring convicted of heinous capital crimes simply because Jews were their victims and they had been motivated by "pure" nationalist motives? We would be outraged — and indeed are so when any such terrible discrimination takes place, for example the killing of Leon Klinghoffer.

But this is precisely what certain circles in Israel are demanding for William Nakash, a former member of the French underworld, whom France seeks to extradite to face murder charges. The petition, to which Knesset Members and even Chief Rabbis are signatories, is based on the fact that Nakash is a Jew and his victim was an Arab!

And this is precisely what a small group of misguided Israelis are demanding for Jewish terrorists convicted on capital criminal offences,

simply because they are Jewish and their victims were not, and their murderous actions were out of "pure" nationalist motives!

Such perverse demands that are a stain on our religio-ethical heritage must be firmly opposed by all right thinking Jews of moral integrity in Israel and the Diaspora.

Once we are prepared to be racistly selective in our moral values, legal processes and their consequences, then we not only play into the hands and support the lunacies of people like Meir Kahane, but also provide ammunition and support for our worst enemies, fuelling the demonic flames of anti-Semitism.

Such calls as those for Nakash and the members of the Jewish terrorist ring are an unfortunate reflection of the inconsistencies that beset our people in certain quarters as a result of the pressures of our past and of the present upon Israeli society. However, if such reasoning should spread, it will lead Israeli society to the edge of the abyss. It will undermine the essential support of which we are in need from friends for whom democracy and equality before the law are amongst their highest values, just as it will undermine the very moral foundations upon which the State of Israel is established, and upon which its future depends.

The writer is Dean of the Sapir Jewish Heritage Centre and Director of Inter-Religious Relations, Anti-Defamation League of B'nai B'rith, Israel Office. He is a former Chief Rabbi of Ireland.

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